

"The Autocrat at the *Lunch* Table"

By

BRUCE V. CRANDALL

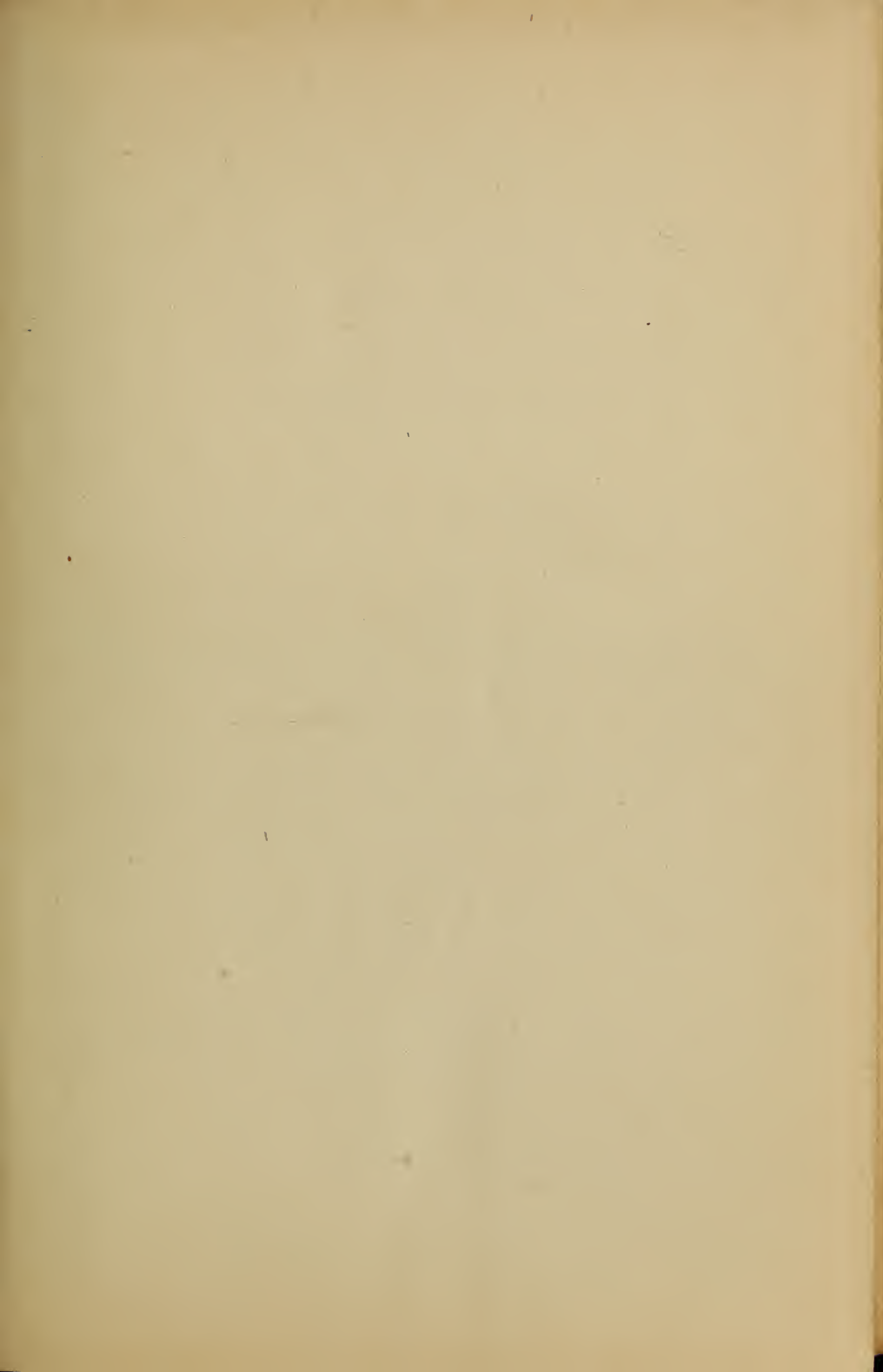


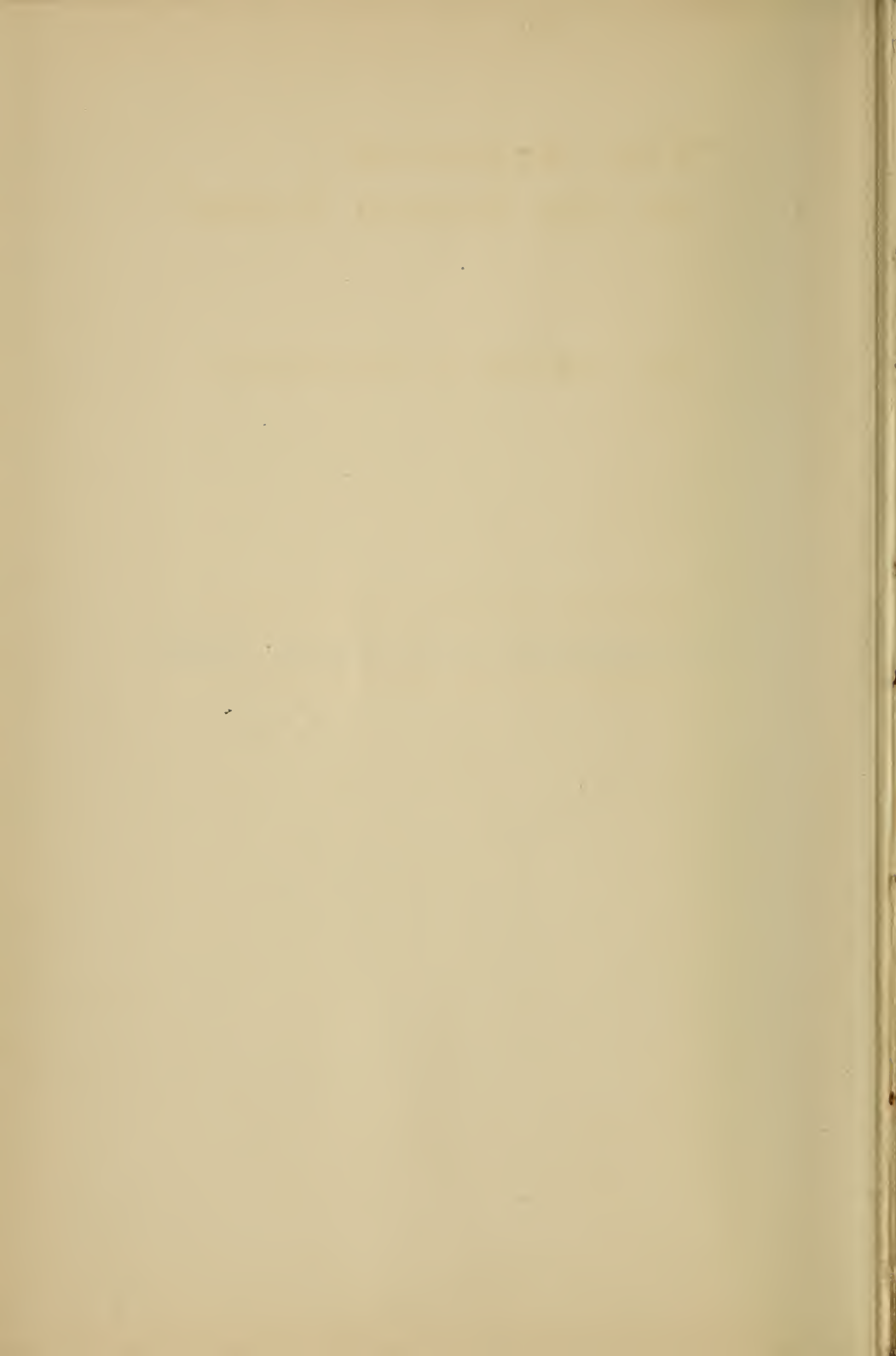
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"The Autocrat at the *Lunch* Table"

By BRUCE V. CRANDALL

Rewritten and Revised, but Based
on a Series of Articles First
Appearing in the Railway Review

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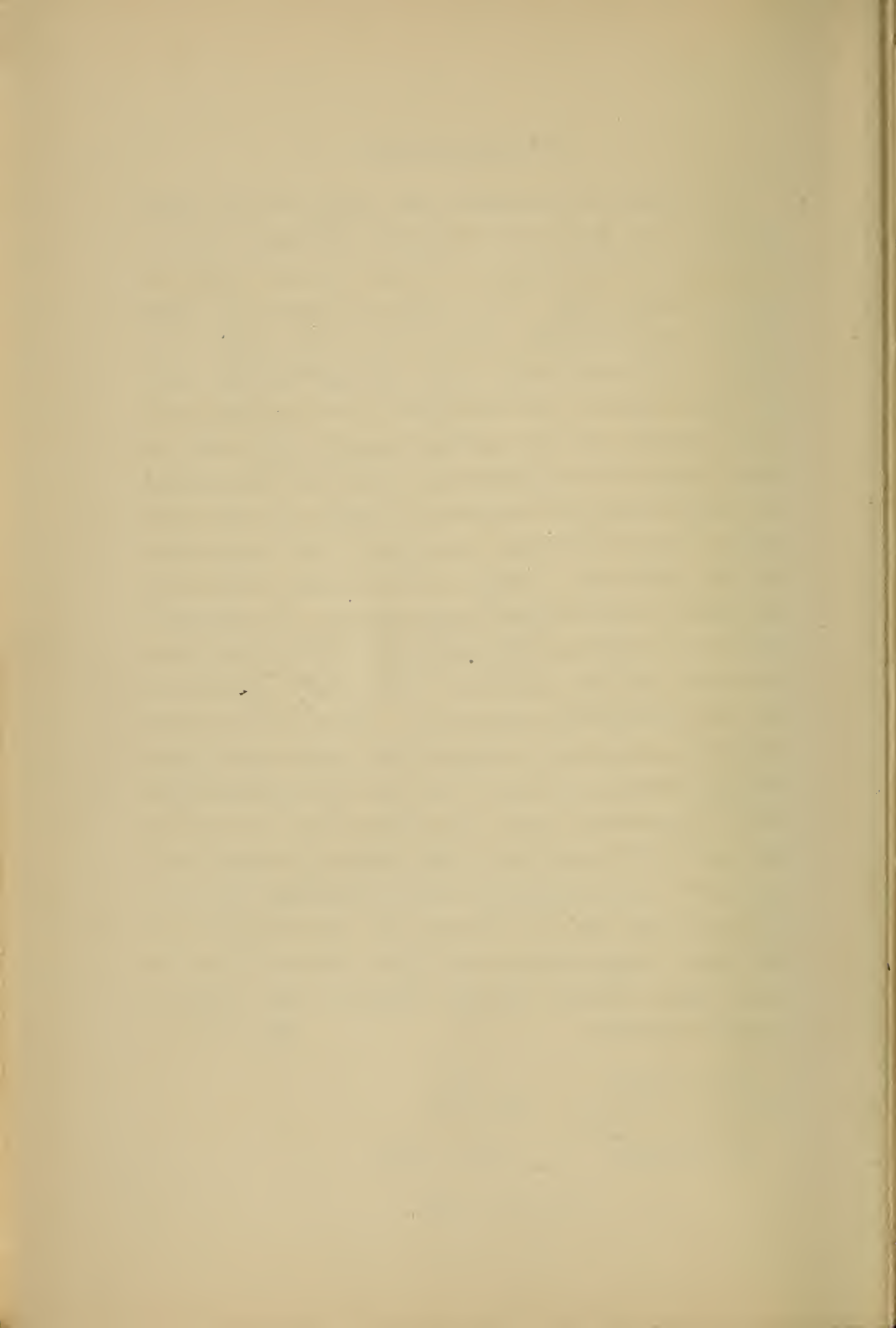
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FOREWORD.

That which is written in the pages of this book, under a title half borrowed from Holmes' famous "Autocrat of the Breakfast Table" is not "made up out of whole cloth." It is taken in large part from actual conversations which have been held over many a different lunch table during the last year. In fact, some of the reported conversations have been written out by certain supply men, who, if their names were mentioned, would be recognized as being among the successful leaders in the business of manufacturing equipment and appliances for the railroads. Some of the theories advanced are held by hard headed business men. In the characters presented no one special individual has been in mind, and the president and others mentioned are purely fictitious characters. There is a possible exception, however, as regards the junior and senior vice-presidents, to whom I feel greatly indebted for their suggestions and encouragement in writing this series of lunch table talks many of which have appeared in the columns of the *Railway Review*. I would also like to express my appreciation for the many suggestions and ideas received from a very large number of my friends in the railway supply business.

B. V. C.

June First
Nineteen Fifteen
at Chicago



I.

WERE THEY DISHONEST CASTINGS AND WHAT IS DISHONESTY ANYWAY?

Not that the lunch table of the railway supply man is unusual, but the fact that it is usual, and that the "autocrat" still lingers in the memories of most of us, is perhaps sufficient excuse for making use of the creation of Holmes which was familiar to the last generation and which is something that is also familiar to the present day generation.

I thought of Holmes in our last discussion at the lunch table, and particularly of the following expression: "I find the great thing in this world is not so much where we stand as in what direction we are moving. To reach the port of heaven, we must sail sometimes with the wind and sometimes against it,—but we must sail and not drift nor lie at anchor."

We are generally all of us at lunch these days, because there is nothing in particular to call us away. The president was there, and the vice-president, and general sales manager, and our mechanical expert. I quoted the lines from Holmes before we ordered our lunch, but they were seemingly forgotten in the strenuous effort of deciding what we

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wanted to eat. This deciding what to eat sometimes presents a good deal of a problem. There are days when the bill of fare looks entirely wrong, and I just had it in mind to theorize a little on this particular matter, wondering in my own mind just what made the bill of fare look so entirely different some days from what it did on others. Was it the bill of fare—was it our mental attitude, or might it be our physical condition? Is it better to eat things toward which we feel inclined, or does the wise man reason the matter out logically and feed his physical being in a scientific manner? Is such a topic of conversation at a lunch table more conducive to digestion and assimilation of food than a discussion of the war between those who cannot agree?

I wondered if Holmes, because of undue modesty, had felt that he was an autocrat at the breakfast table forty or fifty years ago, or whether he used that word because he felt that he was not an autocrat. One is not always sure of his position, even after having given time and thought to the study of the question in hand. I did not speak of all this at the lunch table; I was just thinking about it while the general sales manager was keeping the waiter waiting while he made a careful selection from the menu card. He is always slow at the lunch table, exercising the greatest care in arriving at a decision as to what he is to eat. I have often

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wondered if his two hundred and plus was the result of this deliberation and care, or whether the avoirdupois was the result not of the physical but rather of the mental attitude of the man.

At any rate, when he had finally given his order, he remarked that he thought Holmes was entirely right as regards the railway supply situation at the present time—"we must sail and not drift nor lie at anchor." The fact that orders are not numerous just at the present moment is no excuse for lack of progress with the manufacturer of railway supplies, because progress did not entirely indicate the getting and filling and shipping of orders, but something more than that. Right now we ought to be extremely busy with what he termed "missionary work." He did not look at the president, and went on with rather a lengthy dissertation on the value of advertising even a little more strenuously right now than when orders were coming with greater frequency. He saw a good many ways of spending money which he felt would increase the efficiency of the sales organization and permit them to take advantage of better conditions when they came.

I felt very much like agreeing with him and saying so, but I saw that our president was listening very carefully, and by virtue of the fact that he is president of the company, having reached that posi-

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tion through his own efforts and not having inherited the job, I felt as though I would like to hear his side of the story, from his viewpoint and from his experience. But our president is a wonderfully good listener. I have often wondered whether his listening ability was not responsible to a large extent for the big success of the company. The man who does a large amount of listening learns a great deal from other people, and the man who does a large amount of talking becomes imbued with the fact that he knows a great deal, of course thinking this may prevent learning any more. I must confess that I have often felt that one's belief in one's own knowledge is a valuable asset, as every man needs to believe in himself; but, on the other hand, possibly it is sometimes better to believe you know fewer things and have that belief founded on fact.

The president evidently would not talk; he would listen. I knew the vice-president would not say anything until we got around to automobiles, and the mechanical expert was strangely silent for a man who is ordinarily talkative, and I thought I knew the reason. They have been having some trouble on the X. Y. Z. Railway with the last shipment of our appliances, and the mechanical expert was only just home from that road, tired out in body and soul, and mentally exhausted, in an effort to make the right thing fit in the wrong place—one

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of those old stories of where we had given the railroad the thing that they needed, but they had not applied it as it should have been applied. It would have been easy enough if we could have admitted that we were in the wrong and made a shipment that was right, but we were right and not wrong, and the other fellow was wrong; he was our customer, and naturally we had to handle the matter with a good deal of care. It is somewhat of a ticklish job to explain to a man that he is in the wrong and has made a mistake, and at the same time make him feel pleased at your telling him so.

The waiter was unusually slow,—one of those waiters you sometimes find who seems to have a faculty for getting in wrong in the kitchen, and after being delayed there, is painfully deliberate in his movements in serving. It seemed to be up to me to do the talking. Of course the natural thing to do was to talk about the war; but I hated to do that, and as a compromise I made the suggestion that war was not so different from business,—that business was war, and that while we did not shoot our competitors with machine guns or stab them with bayonets, we did try to starve them to death by keeping them from getting any orders. Still no remarks from the president. I could see that he felt that there was nothing new in such a state-

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ment, and was wondering if I was going at an old fact from a new angle.

However, I felt that inasmuch as I was started, I might just as well continue. If war is business, and business is war—that is in principle, if not in detail, how is it possible that “honesty is the best policy” in business? Even the sales manager looked tired when I switched off in this direction, and I knew why. He is a great believer in a lot of those old quotations that we used to copy off when we practiced the Spencerian System of writing in the old copy books. I could just feel his attitude, and I started after him and gave my ideas of business principles right then and there. If “honesty is the best policy,” why are we not honest with our competitors and tell them how we figure our manufacturing costs, what we put in for an overhead, and when we put in a definite bid, why don’t we tell them what it is? Instead of that, what do we do? We try to mislead them as to our shop costs, fool them as to our sales expenses, mislead them as to any quotation which we have made. Why, we go even further than that. We do just what is done in war—we send out spies. So does the other fellow. Of course, we don’t shoot the spy when we find him, but we make life just as uncomfortable for him as the law permits, and by hook or crook we get all the information we can from the other

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fellow. "Oh, but that isn't what is meant by 'honesty is the best policy,' " I could read in the sales manager's face without hearing him say so.

I have my own opinion as to "honesty being the best policy." It isn't always, and I proceeded to say so, although lunch was served just then and I could not do my full duty by what I had ordered and still keep up a running conversation to support my own theory. However, I told the sales manager, and called him by name when I got to talking, and explained to him that I felt that in business, as in fighting, honesty was the best policy so far as your own side is concerned,—that I believed most thoroughly in honest dealings, in loyalty and co-operation among members of a single business corporation or in groups of business corporations which were friendly each to the other because conditions naturally made them friendly. You cannot run a successful business without honesty,—that is, without honest dealings toward your associates and employees. However, with your competitor it is another proposition.

"What about your customer?" queried the president, who had, by keeping quiet and attending to eating, gotten as far as a cigar.

"Well, you remember that order from the A. B. C. Railway," I replied, "where they insisted on

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having some castings that weighed thirteen pounds more than we thought was necessary.”

The president simply nodded, and I went on.

“You know that we tested out those castings very carefully and fully satisfied ourselves that the castings, if made thirteen pounds lighter, would be more serviceable,—would be stronger, and would better fill the requirements than if they had on the extra metal. The extra metal simply constituted an element of weakness. We sold them the castings according to their specifications, but events have justified our position that a lighter casting would have been more serviceable.”

“And there is a place,” interrupted the sales manager, “where the mechanical expert might better have stayed at home. It took me a week to get those fellows on that railroad smoothed down to the point where they would sign an order for what they wanted. It is our business to give the buyer what he wants, and that is the basis for successful business.”

I looked at our mechanical expert, as I was anxious to hear what he was going to say. However, he said nothing, and we left the lunch table without the question decided. I said to the president as we walked out: “If ‘honesty is the best policy,’ should we have shipped that road dishonest castings because that is what they wanted?”

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“Were they dishonest castings?” he asked, and that is a question. What is honesty anyway? Is it a thing absolute or relative, or is it what we might more properly call “progressive?” Are things which were dishonest yesterday honest tomorrow—or what is the answer?

II.

OPERATING A BUSINESS HAS ITS LIMITS AND LIMITATIONS.

The president had been off for a trip to New York, the sales manager had been sitting up nights with the only possible order in sight, and the vice-president, mechanical expert, and myself had been going from the roof to the cellar of the plant to see where we could reduce operating costs when we had any excuse for operating.

This explains why there hasn't been any lunch table for a week or so, so far as we are concerned. Naturally we were anxious to learn from the president how everything was in New York City; how they are feeling down there. Somebody had told me a day or two before that the brokers and stock exchange people were clerking in the department stores. The man who gave me this information handed it out in a way to intimate that if this was the case, and he was sure of his facts, the country not only was going, but had gone "to the dogs." I told them what I had heard, and the president remarked in his terse way that while New York was a great financial center, it was what it was because of the financial greatness of the nation as a whole.

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The general sales manager seemed to be pretty sure that business was going to come back, on the theory that having reached the bottom of things, there was no further room to move in that direction and would therefore have to move the other way. "But," said the vice-president, "doesn't it strike you that we in the railway supply business have not only reached the bottom, but we are sort of bouncing up and down on the bottom, and if we keep it up much longer we will be likely to break through?"

This certainly was pessimism, long drawn out, and I suggested that we might tell the waiter what we wanted and let him hurry us a good lunch, and perhaps we wouldn't be so pessimistic after we had had something good to eat. I don't know what earthly reason a man has for being pessimistic when he is connected with a good business institution which has been declaring dividends for a good many years, and who has always been well treated, and knows his concern is going to go on and do business if anybody does, and it is a certainty that the end of all things has not reached us as yet.

After we had finished the dessert and gotten as far as the cigars, the president said that he wanted to hold up on every expenditure from now until after the first of the year. He didn't want to permanently curtail expenses, but for the next cou-

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ple of months we could be planning on what we might spend and see if we could not arrive at some way of spending less money and getting more for it. He remarked that he thought the wise man was the one who didn't mourn over conditions but set himself to work to adjust his business to present conditions and make the best of them. I felt myself that that was a pretty good way in which to look at it, and that whatever the future might be, there was an ever-present necessity of handling our business to the best possible advantage right now, especially in view of the uncertainty as to just what is in front of us for the next few months. Personally, I cannot help but feel, and I said so, that business is going to return by spring. I have claimed all along that if we got by October without a panic it meant that business was gradually to improve. We have just about reached the limit on the "slide down the hill," and if we haven't any further to go, and if we can wiggle through the valley without everybody getting panic-stricken, we are going to begin the climb of the hill toward better business in the immediate future. We are not going to get up high enough to realize that we are getting higher until some time next spring. There are a whole lot of men in the railway supply business who are figuring and getting ready for orders now, with the expectation that these or-

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ders will be realized before long. There must be some good reason for it, and I said to the president just as we left the table:

“Don’t you think that this is just about the situation: We have reached the bottom in the railway supply business and are bound to go up because we cannot go the other way? Don’t you notice in the papers that have been antagonistic to railroads a growing spirit of fairness in asking that justice be given them, and has not the pendulum of public opinion been swung just about as far as it is going to swing as regards this antagonistic attitude toward the railroads, and don’t you feel that it is swinging back? Another thing: Isn’t the general public beginning to realize very thoroughly that the railroads have had about all the doctoring and surgery that they can stand and still live? The average American citizen wants the railroads to live because he knows that it is to his own selfish interest, and there seems to be a very general feeling that we have gone a little bit too far in operating upon the railroads. It is all right to take out a man’s vermiform appendix, remove a tumor, saw off his legs to save him from blood poisoning, but we are not going to be able to take out his heart or stomach or cut off his head in an attempt to patch him up, without running some chance of having the patient die on our hands. It seems to

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me that in the last few weeks the American people have come to a pretty full realization of the fact that this is just about what they have been attempting to do with the railroads, although we might grant for the sake of argument that the railroads needed a surgical operation and we went into it with the idea of benefiting their health and ultimately our own, and not for the purposes of vivisection.”

Our president is a pretty conservative man and has had a long experience in the railway supply business. I therefore felt complimented when he said that he was inclined to believe that I was right in my viewpoint. “Only,” he said, “it is a very difficult matter to determine just how soon the railroads and the manufacturers who supply them with appliances will feel the changing and changed attitude of the American public towards its railroads; but I feel that the change has come.”

III.

IT IS UP TO THE BUSINESS MAN AFTER ALL.

Personally I do not approve of cigarette smoking, and I don't use them. Still that is a matter I have to decide for myself, and it is none of my business if the sales manager wants to use them, and he does. The other day while we were ordering our lunch, being minus a cigarette, and not being able to borrow one from any one at our table, he got up and circled around the room until he was able to secure the loan of one cigarette from an acquaintance. This caused the remark from the mechanical expert in our party that certainly the railway supply business was down to the last gasp when the sales manager found it necessary to walk through a public dining-room to borrow one cigarette. The good point about it was that the condition of the railway supply business was at least taken cheerfully and good naturedly by the party.

I had been to a club luncheon the day before, where an eastern manufacturer had made a talk on the patent laws of this and foreign countries, and I was so interested in the subject that I lost no time in acquainting those at the table with what I had heard.

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The speaker referred to had said that the American manufacturer, when he secures a patent on his product in Europe, is compelled to manufacture that product in the country in which he secures the patent. Our patent laws in this country do not require the patentee to manufacture here. This gives foreign goods an advantage.

In Germany the manufacturers of that country are organized into an association whereby, when an American manufacturer attempts to sell in Germany, they combine together to produce these goods below the cost that the American manufacturer can possibly sell them. It also is a law in Germany that goods sold in that country must be labeled in German, “Made in whatever country they come from.” This same law obtains in England. Goods must be labeled where they are made.

In France, he stated, he talked with manufacturers, and they invariably do not carry their buildings on their books. When he asked them why they did not do this they told him that the buildings were built by their grandfathers, and should not be charged to their business—that they hadn’t cost them anything. They charge only overhead and labor to the cost of goods. They also get labor for about half what we have to pay for it.

Another point that he made was that foreign workmen are a great deal more economical than

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American workmen. In both Germany and France the workmen, instead of wearing expensive clothing, as our workmen do, sometimes even wearing a white collar, these foreign workmen wear a long tunic, which is very inexpensive.

His most interesting statement was that the American manufacturer is fast coming to the same conditions as the railroads of this country. High taxes, increasing wages, our poor tariff, which affords no protection to the American manufacturer, and other increasing expenses, are bringing these conditions about. His plea was for an awakening of the business men, to take part in the election of business men to Legislature and Congress, and to see that laws are framed by men who understand manufacturing and business conditions better than do the present politicians and lawyers who constitute the lawmakers.

When I had gotten this far, and was talking about business men for Congress I was interrupted by the vice-president, and patent laws were forgotten. When it comes down to anything like this our vice-president can forget lunch and forget to eat it; in fact, get into about the same condition that Ulysses described in the *Odyssey*, when he told of Land of Lotus Eaters—how people going there forgot home and friends and country. So was our vice-president. It was no use—any at-

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tempt to make him eat was in vain. The position he took, to the best of my recollection, was about as follows: He said that the time had come when business men—real business men—should take hold of legislative matters in earnest. He thought there were very few “Lotus Eaters” in Congress at present—that most congressmen never forgot home and friends, particularly their “voting” friends, whom they keep so constantly in mind, that they devote comparatively little time to economic thought and study bearing upon those legislative problems for the solution of which they were (supposedly) sent to Congress.

He believes that most business men feel a very genuine interest in sound, constructive legislation, and would welcome the appearance of business men of experience in Congress, especially as members of the House of Representatives; but that, as individuals, business men are rarely moved to take the initiative in such directions, and probably never will be to any material extent, until the business world, as such, is aroused to the point of action toward this desirable end.

The president interrupted him to say that he for one was pretty nearly “aroused to the point of action toward” almost anything that would give an honest man a chance to earn a living.

The president went on to say that only through

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concerted action, and with the strong, open support of an organization comprising the general business interests of the country, could such a thing be accomplished. To that end, he referred to the various chambers of commerce and trade bodies of the United States who now carry their activities to the threshold of Congress, and pertinently asked: Why not within Congress? Naturally, there seemed to be so many complications, so many difficulties to be overcome, that I asked him a number of questions, to which he had ready answers. But at this juncture, and despite of the business depression, he claimed to have a business engagement, so our little party dispersed with the understanding that we would renew the discussion at our next luncheon together.

He lingered long enough, however, to say that if socialism is to be controlled, if sanity and wisdom are to characterize legislation affecting business, and our industrial and commercial structure is not to suffer further serious impairment, then it is squarely up to the business men of the country to so determine.

And the more I think about it the more I think our vice-president is right. And then the more I think he is right the more I think he is the right man to go to Congress. And if the time ever comes when we send representatives to Congress in the

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true sense of the word "representative," we are going to send a man of his type.

Let's do it—why not?

IV.

SELLING CHEAPER APPLIANCES AND SELLING APPLIANCES CHEAPER.

"Sausage and buckwheat cakes and hot mince pie for me," said the sales manager as he came in late and sat down at the table.

"Rainy weather doesn't seem to agree with you," I remarked, "or are you going around to see somebody this afternoon and getting up courage by that kind of a lunch?"

"Getting up courage?" he remarked, "I am trying to get my courage back. Say," and he turned to the mechanical expert, "what is the actual cost to us, I mean without any frills tacked on to it, of building our No. 8 machine?"

The mechanical expert got out his little note book, and on the back of an envelope began figuring.

"\$73.18," he said after a minute.

"Does that include overhead and sales expense?" asked the president.

"It includes an overhead, but no sales expense," was the reply.

"Well, then, that is not the cost. We have to employ salesmen in order to sell our product, and

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we must put on the sales expense, as it is just as much a part of the actual cost as the material.”

“Well, never mind,” said the sales manager, “I just saw B—— of the —— Railway, and he says he has figured out the actual cost of our No. 8 machine and it amounts to about \$65.00.”

“That is what it amounts to on paper,” remarked the vice-president, “but we have been making those machines for twenty-four years and we ought to know by this time what the actual cost of them amounts to.”

“Well, what am I going to do about it?” said the sales manager. “We can sell that machine for \$65.00 or we can pass up the business.”

“Well,” said the mechanical expert, “we will build a machine that *looks* like that one, and that apparently will do the same work, and it won’t cost us over \$55.00, overhead, interest on investment, sales expense, and dividends, all added in. It will do the work for several years,—with some repairs occasionally. Then, at the end of ten years, the repair expense, I should judge, will be about forty dollars more than our No. 8 machine, which, with reasonable usage, requires no repairs in ten years.”

“The very rigid economies which are now being practiced by the railroad companies,” I remarked, “have undoubtedly been the cause for the very sub-

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stantial reductions in operating and maintenance costs of the railroads. Such policies pursued by purchasing agents have undoubtedly been the means of bettering financial statements. This is a temporary benefit, but I believe we will have to pay the price for such temporizing later on. Of course, from one way of looking at it, the careful investigation of prices has undoubtedly resulted to the benefit of the railroad companies, but this benefit has not been an unmixed good. There is this in connection with the matter, however, that there is a danger that with this wave of low-price buying there may be an aftermath of inferior quality of goods supplied."

"Now our 'autocrat' is talking about the \$55.00 machine that our mechanical expert has figured out," remarked the sales manager.

"Men are only human," I went on, "and there is a no more human lot of men than railway supply manufacturers, and when a railway supply man has his prices cut and cut—and cut still more, there is manifestly a temptation in it all for the cutting of the *quality* of what he manufactures. I know that so far as our own company is concerned, we have maintained prices, except in special instances where we have offered a secondary appliance, making it clear that it *was* a secondary appliance, so probably the principle as above stated does not ap-

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ply to us. That is,—we have sold cheaper appliances, but we have not sold appliances cheaper. Be that as it may it is my very firm conviction that the future is going to show that a lot of articles that are being purchased today simply on the basis of price are not going to stand the hard service to which they are being applied, and there is a growing danger, and a very real one, in that different articles for railway service are being purchased merely on a price basis. It is far better for the railroads to pay a somewhat higher price if they are going to get a considerably longer service out of that which they buy.”

“Well,” said the sales manager, “put yourself in the place of the purchasing agent of a railroad. Perhaps he would like to buy a better article, and undoubtedly the far-sighted purchasing agent would. He appreciates the fact that the actual cost of the article is not in its first cost, but to that must be added a maintenance cost, and the length of time the appliance will stay in service. But the railroads today are not exactly in the position where they can do as they please or as they might think was best in the long run. Their incomes are limited by law, and they simply have to cut their cloth to fit. They are in a situation where they cannot borrow money to any extent, and they have got to get along on a “hand to mouth” policy. Un-

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doubtedly it is a more expensive one, but what are they going to do? A man pays more for coal when he buys it by the bushel than when he buys it by the ton or in ten-ton lots; but if he has not the money or the credit to buy the ton, he is going to buy a bushel at a time. He knows it is costing him more, but his limited financial condition prevents his doing differently."

"That is all very true," I replied, "but the railroads are not only buying cheaper articles, but they are hammering the railway supply man insistently and persistently to buy everything cheaper. We Americans are very apt to be extremists, and the pendulum is liable to swing as far as possible one way, and then again equally far in the opposite direction. Is it not possible that just at the present time the order to the lowest priced fellow is just as far from the proper basis of buying as it used to be on the other end of the line? I would not advocate for a moment that the railroads should pay more for their goods than they ought, but I would advocate, and that most strongly, that it is of paramount interest to the railroads to obtain a proper quality of goods, and at a reasonable price. This continual hammering and hammering on price is going to react on the railroads of this country, because they cannot indefinitely expect to obtain first class material or appliances from railway supply manufac-

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turers when they cut them down to a lower than producing or living basis.”

“This is a big subject,” remarked the vice-president, “and I would hate to get through it in one luncheon. I have to be back at the office at two o’clock and I am going to skip. But, in this connection, there is one point which might be mentioned, but which, of course, is rather a delicate thing to discuss, and that is that there is a natural rivalry between the purchasing department and the mechanical or engineering department. The purchasing department’s first aim is to make a good showing based on the low cost of purchases, while the mechanical or engineering department naturally want something that is going to make a good record so far as maintenance cost is concerned. Then the operating department comes in. They want something that is going to help them get the trains over the road. Poor material and inferior appliances are directly responsible for the biggest item of expense in railroading,—delay to traffic. The operating department fully appreciates this, and while they want to see the purchasing department save money in buying and the mechanical or engineering department keep down the maintenance cost, all of these savings are rather insignificant, as the operating man knows, when it comes

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to comparing them with that very real cost to the railroads, viz: that of having the traffic delayed."

"Yes, and I'll tell you one thing more," broke in the sales manager, "railroad men shift around a good deal. They know that they may be in a position for only a few years. They are making a record for themselves, or attempting to, the same as any other man. They know that only the immediate results of their action will be counted for or against them. There is a big temptation then to buy everything at the lowest first cost, as that shows apparent economy at once. The final cost may not be determined until after they have left that road, or even retired from railroading. It takes a pretty big man to spend fifty thousand dollars for a lot of cars that he can get for forty-six thousand dollars, even if the forty-six thousand dollar cars cost a great deal more to maintain—in fact, as much more as to make the entire maintenance cost of these cars fifty thousand dollars. There is a fairly good chance that he may not be on that road when the maintenance costs begin to pile up. Any way, he has made a record for economy. He has saved four thousand dollars, and that is an item that he can always point to as having been saved."

As the vice-president got up to leave, he said: "Well, personally, I think you will find in the best

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managed railway systems a disposition on the part of the purchasing, maintenance and operating departments to co-operate intelligently, to the end of good service—a sound policy, and one most encouraging to the manufacturer of a conscientiously made product, selling at a live and let live price.

“It is true that there is today a greater temptation than ever to consider first cost, just as the sales manager suggests but I am sure he will agree with me that ‘honest goods at an honest price’ is the *only* policy for a company like ours which has not only made its reputation on this basis, but is today holding the best business in the country (such as it is) by sticking to this method.

“I can easily appreciate the woes of a salesman who loses business to ‘the other fellow with a lower price;’ but if I were to return to the selling field myself, I would far rather stake my chances of success with a concern making demonstrated and recognized high standard goods, and getting a fair price for them, than to handle the product of a concern that would allow me all the rope needed to capture trade on the price basis only.

“In the latter instance I should feel like a man without even one good leg to stand on—there is always some fellow who will lower the lowest price. But if you handle an article of known and recognized merit, your energies and gray matter will be

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well spent in building up a business that you can hold—with goods for which you never have to apologize—with goods that will repeat.

“Exorbitant prices are just as unwise as they are impossible. No real business man wants them, for he knows that he cannot long sustain them. But the man who prostitutes high standards to meet the prices of inferior goods or appliances is not only doing himself and his business an injustice, but he is also practicing an imposition upon his customers—customers whom, through long years of honest effort, he has taught to trust him and his products.

“I cannot imagine a field where this is of greater importance than in ours. We should remember that we are selling that on which depend safety and service.”

V.

WHEN WE HAVE BEEN PUTTING THE EMPHASIS ON THE WRONG THINGS.

"Business is better sentimentally."

"What do you mean by that?" asked the vice-president.

"Well, I should say that coming events cast their shadows before them," I replied. "You know our financial ups and downs are very largely a matter of sentiment anyway. When we do business on credit, and most of the business is done on credit, we are doing it on faith. It is what we think and believe, in a word, a matter of sentiment."

"That all sounds well enough," said the vice-president, "but sentiment does not bring in the orders."

"No," I replied, "but sentiment is simply the shadow, and not a black and gloomy shadow, that is cast by the orders that are coming. You know as well as I do that if people are feeling all right they are willing to discount the future. It is not actual trouble that disturbs us as much as trouble which is anticipated. It isn't the certainty that bothers us but the uncertainty. Now if we are absolutely sure that for the next six months there would be no orders for the railway supply frater-

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nity, everybody could prepare for it and we would get along, I wouldn't say comfortably, but we would get along."

"I can tell you one thing," said the sales manager, "there is not only a better feeling, but I have been talking with several railroad men who tell me just what they are going to do and that there is going to be a loosening up of business, and that almost immediately."

"All very well," said the vice-president; "sentiment is better, and we have promises that we are going to have some business, but I want to see the orders."

"Oh, well," remarked the mechanical expert, "if you are going to be so particular as that you are going to insist on having cash with the orders."

Discussion stopped at that point because primarily we were at the lunch table for the purpose of eating. Someone has said it is very poor policy to talk business at the table. It interferes with one's digestion. But if the talking stopped at a certain lunch table that I know of there wouldn't be any more material for "The Autocrat at the Lunch Table."

"It all simmers down to this," said the vice-president, after he had ordered a club sandwich in his delicate way. "Of course business is coming back again eventually, and we are going to get our share

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of it, and I don't see that a discussion as to when it is coming back is going to be of any great help to us.”

“But when it does come back it will be a help to us,” I remarked, “and furthermore, its coming is going to herald an era of business prosperity for this country such as never has been known in its history, but the business man has got to bestir himself and the people of this country have got to be educated. They must know that the happiness of the individuals of this country is just as dependent upon the prosperity of business as it is upon good crops. A few hundred years ago the happiness of the average individual, or most individuals, was not dependent to so large an extent upon the prosperity of business. Business in those days was more agricultural than almost anything else and the individual man, with a few acres of ground, could take care of himself, whatever business conditions might happen to be.

“It is entirely different since the advent of the railroads and the building of big business. Millions of people are absolutely dependent upon the prosperity of the railroads. For instance, what would our big cities do if the railroads decided that inasmuch as they couldn't make money enough to run their railroads, they would stop running them? Absolute starvation, not for thousands, but for mil-

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lions of people. The railroads must have a chance to be prosperous because their prosperity is the people's prosperity. Men are not living alone and unto themselves in these days. They are of necessity co-operating, each with the other—they are dependent one upon the other.

"The last few years have been a transition period. We have had to adjust ourselves to changed circumstances and until this adjustment is more nearly completed than it is at present, there are bound to be these ups and downs. Ten years ago, if you talked to the 'man on the street' you would find that his sympathies were not with the railroads. Talk with him today and you will find that his attitude is entirely different. He has come to appreciate the facts in the case as regards our transportation systems.

"Now our law making bodies simply reflect the public opinion and state and national legislatures have been piling law upon law because they think that it pleases the voters. We are going to have some of these laws repealed and some of them modified, and why?—because public opinion has changed—because the public is becoming better educated."

"Do you know," said the sales manager, "when I go to a railroad I don't simply talk to the president, or the general manager, or even the superintendent of motive power, about what we have. I

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go from the top right down to the bottom. I see to it that every man on that railroad, that has anything to do with the use of our appliances, understands them. I believe thoroughly in the education of the men on the railroads, so that they may not only purchase, but use our appliances intelligently. It seems to me as though the railroads had not been following this policy. They go to those higher up—the men in congress, or in the legislatures in the states—and tell them what they need and what they ought to have, neglecting the rank and file, and while they have nothing to say directly, they have a tremendously big say indirectly. Isn't it time for the railroads to go to the people?"

"As a matter of fact," interrupted the vice-president, "isn't it just as important for our children to learn about the railroads of this country, as it is to learn of where the rivers are located and what are the state boundaries, and what kind of crops or fruit are grown in certain sections? The children in the grammar school grades and high school, and further on when they get to college, are taught history, geography, mathematics, astronomy, chemistry, and a thousand and one other things, but the railroads, which are the very life of the country in which we live—the arteries of the body politic—they learn nothing of. I do not think our educators as yet have fully awakened to the fact that our

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educational methods have not kept up with our business growth. It is of very little value to me as a citizen that I learned the boundaries of the state of Connecticut, when I was a small boy, but I would be a seemingly better citizen if I had learned the rights of bankers, big manufacturers and railroads."

"We have been putting the emphasis on the wrong things," I remarked, "but evolution is only a very slow, and I regret to say, a very painful process, and the way to a man's intelligence perhaps is through his pocketbook, and out of these depressions in business and the consequent privation to the many, will come a better understanding of the fact that all business must have an opportunity for growth and development, and that when business is not rightly treated, the wrong treatment is liable to act as a boomerang on those primarily and fundamentally responsible.

VI.

WHAT TO DO WHEN THERE IS NOTHING TO DO.

The fire engines always go by on the street where we have our luncheons, and the other noon quite a representation of the city fire department passed by the window where our table was located. After I had given the vice-president an opportunity to order his usual club sandwich and English breakfast tea, and to say that he didn't care for any dessert, I asked whether he thought the fire department and the railway supply business had anything in common. He replied most promptly that he thought they had,—that it was an every-day occurrence for the men in the fire department to witness financial losses, and in that regard he didn't think they were so very different from those in the railway supply business.

"That's a nice pessimistic view to take of it, isn't it?" remarked the mechanical expert. "You have lived long enough so that you ought to remember that we have had some good times in our business, and the chances are that in some far off golden day we are going to have some more good times."

"There's one thing about the mechanical expert," said the president quietly, "and that is that when

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the ship has gone down and most of the crew has been lost, he still feels optimistic because the piece of wreckage to which he is clinging is large enough so that he can climb upon it and not have his legs bitten off by a shark."

"That certainly is refreshing," said the sales manager. "I feel now that I have instructions, implied at least, from the president.

"You may get those instructions," said the vice-president, "and they may not be implied, but direct, and we may not find it a desirable business procedure to send you a salary check at the end of each week for playing golf."

"Evidently you went down with the ship," said the sales manager.

"No, I think the president is the man who went down with the ship," said the vice-president. "He is the captain and the conventional thing for him to do would be to stand on the deck and die at the post of duty."

This provoked rather a grim smile from the president, and I don't know whether he just liked the reference made directly to him. Anyway he turned the conversation back into its original channel by asking me just what I had in mind when I put the conundrum as to why the railway supply business was like the fire department.

"Did I put it just that way?" I asked him. "It

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isn't exactly like the fire department, but the two are similar. Business comes to railway supply concerns with about the regularity that fire alarms reach the fire department. Thus far we can compare the two. It has been my observation that the fire department is generally ready for business, and without casting any slurs on the railway supply fraternity, I venture to say that it will be something less than a thousand years from now when they will absolutely be swamped with business, behind on their orders, and in no wise able to cope with the situation. The fire department going by just now made me think of what a friend of mine told me this morning in regard to a certain railway supply concern. He said that never before in their history have they been so busy in their sales department as during the past summer and fall."

"What doing?" asked the mechanical expert. "Are the salesmen thinking up something so as to hold their jobs?"

"No indeed. The president of the company gave orders to his sales department that they should get out and travel,—call on every railroad man from top to bottom; find out just what his needs and requirements are going to be in the future; just what kind of rolling stock they are using; and when they do order, what type of car they will buy. They were instructed to get blueprints of such cars and

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all information which they possibly could get. The salesmen for this particular concern did do this, and they are doing it, and this particular company employed more men last summer in their drafting room than ever before in their twenty years of business. They took these blueprints of the cars as they came in from the salesmen, made up drawings to show just how their various specialties could be applied to these different cars. They have completed these drawings in every detail as fast as possible, made a number of blueprints from each of them, have them all indexed ready to be used at a moment's notice. I want to tell you that when the fire alarm bell of good business rings in the office of that particular railway supply company, they are going to be the first fellows to the fire. In other words, the first railroad that is in the market for some freight cars is going to get attention and definite information from that railway supply concern immediately. They are going to have a salesman on the job, who is going to have a blueprint of the car on which they probably will ask bids, and he is going to show that railroad within twenty-four hours from the time that he receives the inquiry just what can be done with their specialties and how they can be used, and if the work of their sales department is any indication of what they have done in their plant, they are going to take care of the

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orders just as quickly as they took care of the inquiry, and I am going to take it for granted that they are going to get the orders.”

The president said nothing; the vice-president made no remarks; the sales manager had nothing to say; the mechanical expert remarked as the fire engines trailed back past our window that evidently it was false alarm.

“But not every signal to the fire engine house is a false alarm, and we are going to get something besides sentimental talk in regard to business. We don’t know any more when it is coming than the fire department know when they are going to get the next fire.”

As we walked out of the dining room the sales manager said to me: “Who are you driving at anyway? Don’t you think the ‘old man’s’ policy is right? Don’t you think the vice-president has got our plant in good shape? Or are you taking a fall out of me?”

As a matter of fact, I was not criticising anybody, but was just making a statement as to what one railway supply concern had been doing the last six months when there had been no business, and I think that they are doing the wise thing.

VII.

THE EFFICIENCY OF THE EMPLOYEE OF THE GOVERNMENT.

The sales manager did all the talking the other day. In fact, he said so much that it was almost impossible for the waiter to get an intelligent idea of what we were ordering.

"No, I haven't been doing any Christmas shopping," he replied, in answer to a question from the vice-president. "I have simply been over to the post office trying to obtain a 2-cent postage stamp, and if the average government employee isn't the most narrow-minded, unaccommodating, don't-care-what-happens-to-the-other-fellow sort of a person that there is in existence, then I will eat my——"

"You better make it lunch," said the vice-president. "No need of getting excited over a little matter like a government employee. We have to have them."

"And it looks as if we might have more of them," remarked the mechanical expert. "There seems to be a tendency toward the government employee just at present."

"If we keep on," said the president, "it will be all employees and no one doing anything else."

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“Do you remember in one of the stories of Oz?” I asked.

“That’s a children’s story, isn’t it?” said the sales manager.

“It is,” I said with becoming dignity, “and I thought I would take my illustration from a children’s story, so that you might more easily comprehend the point which I am trying to make.”

“There you go, hitting a fellow when he’s down. You know that I have only just escaped from the hands of an employee of the post office, and in no condition to make a fitting reply to that last remark of yours.”

“To resume, in one of the stories of Oz it tells of the army of Oz. The army consisted of 26 soldiers, 25 generals and one private. Of course, it is only a story for children, and, of course, the people of Oz were very simple people. Perhaps they didn’t know the difference. But I am wondering where the author got his idea. Possibly in the constantly increasing number of government employees to tell the people who make the government just what to do.”

“It is a well recognized fact,” said the president, “that so far as this country is concerned, a government job has a very narrowing influence upon the employee of the government. He necessarily loses what little initiative he may happen to have been

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possessed with originally, and naturally his originality is not exercised, and he soon loses that. His job is secure; he realizes that he is working for a boss who has no competition."

"There," said the mechanical expert, "now you have hit it. No competition. Possibly the heads of our government see what happens to the individual when competition is wiped out, and that is why our government is now trying to encourage competition."

"They are doing it," I said, "by precept, however, and not by example. That is the way they do a good many other things. They are teaching the railroads how to be good, by precept. What is the example set the railroads when the government compels them to take care of a big increase in mails because of the parcel post?"

"That reminds me of what happened the other day," I said. "I drove in to the office and while I was waiting at a crossing for the go-ahead signal, a police patrol wagon was standing right behind me and that was also waiting. However, by way of diversion, or to see if his engine was still running, or just because he was a "government" employee, the officer driving the patrol wagon let in his clutch and edged up a few inches further, and smashed in my rear fender. I took the matter up with the chief of police by letter; explained the

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circumstances to him, gave him the automobile license number of the patrol wagon, and asked him if the police department, or the city, could do anything in regard to it. It only cost me about five dollars to have the fender fixed, and I had five dollars worth of good out of the letter which I received from the police department. My letter was acknowledged, brief reference made to the accident, and one further statement was made, and that was that neither the city nor the police department were responsible. Of course, they meant to imply that they were not responsible for that particular accident, but what they did say was that they were not responsible, with which statement I concurred most heartily. It may be that we will come to a government ownership some day which shall include the railroads, but if railroad employees become government employees of the average kind, we will have our railroads mobbed.”

“It is a strange thing,” said the vice-president, about the time he was finishing up his apple pie, “how many things you can discuss at a lunch table and how easily very important matters may be disposed of, especially if they concern something over which we have no control.”

“Well, if we have no control over our own government,” remarked the president, “I do not see but what democracy is a failure. After all it has

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only been a comparatively short time that we have been trying to govern ourselves, and I suppose it is going to take some little time before we learn how to do it."

"Meanwhile," said the sales manager, "it is interfering very decidedly with the efforts of the sales department."

VIII.

THE THINGS SIMILAR IN WAR AND IN BUSINESS.

We all went into town the other day and lunched at the club. I happened to be there a little bit early and got a table, and was handed the daily paper along with the bill-of-fare. Of course, the daily paper was mostly war news. It seems as though we get enough of this without getting it at lunch time. I don't suppose the other members of the club would tolerate for a moment the idea of not having the daily papers in the club at lunch time, but really it would be something of a relief. There is probably no one subject that has ever been as much discussed in this country as the present war. Books, magazines, periodicals and daily papers keep bringing to our attention the latest news, the latest analysis and the latest guess of what the future has in store.

The vice-president was the next one at the table and I told him my ideas of getting rid of the daily paper, and particularly the war news, so as to give us a chance to eat our luncheon in peace and quiet.

"Well," he remarked, "there seems to be a reaction setting in and men and women in this coun-

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try today are beginning to talk more about matters of usual and normal interest; discussing things that pertain more particularly to our own country."

"Undoubtedly this is a good thing," I remarked, "not that we want to diminish our interest in those of our fellowmen who are suffering so cruelly abroad, not that we want to do any less in the matter of helping by donations and otherwise, but I believe very strongly that the time has come when we ought to focus our eyes on the United States, rather than keep looking at the foreign shores. It is an acknowledged and proven fact that the mind has considerable influence over matter and that our mental conditions have a good deal to do with our physical feelings. This is but an additional argument for us to busy and occupy ourselves with the duties of our everyday business and home life, rather than to continually dwell on the horrors that are taking place across the water. Be this as it may, however, there is a similarity between conditions in this country and conditions abroad, which seems to me to be worthy of attention, especially at this time."

"How are the conditions similar?" asked the mechanical expert, who had come in just as I was beginning to give my ideas.

"Well," I replied, "if I read the war news intelligently, and if I understand at all the spirit of

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the German people, it is that they base their action on the fundamental principle of the survival of the fittest and the fact that they, as a nation, are entitled to win supremacy in the commercial lines, even if this conquest be at the cost of other nations' blood and existence.”

“But the Germans are not going to win,” broke in the sales manager, who had just sat down and had gotten enough of the drift of the conversation to suppose that we were talking war.

“Oh, we are not talking war,” I said to the sales manager, “and we are not going to. I was just saying that conditions surrounding the war in Europe are similar to conditions surrounding business in this country.

“As I think of modern competition in this country and of the methods that so many business houses are using with reference one to the other, I am wondering whether we are not having in this country a commercial war which is based on the same principles as the war abroad. Are not attempts being made to exterminate one's competitor, to drive that competitor out of business or to the wall and to become supreme at no matter what cost? Is not the parallel and chief underlying motive of the German military powers very similar to the underlying powers of many of our own business men? Has

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not modern competition in this country become a sort of warfare?

“To be sure different weapons are used and there is no reddening of the ground with the blood of our opponents, but is there not a strong tendency in our midst to allow this unbridled competition to run to its full length, irrespective of what the results may be? In other words, is not free and open competition today in the business world of the United States leading very largely to the same methods that are now being employed in those countries now at war?

“The more I think about the matter the more does the parallel seem to be true. If it is true, if the conditions as outlined are actually existing to-day, does it not become us as a great and civilized nation to study the question so as to eliminate such principles and conditions?

“Every effect has a cause and if the conditions which we have been discussing do exist are we not justified in stating that the cause is the fostering and favoring of free and unbridled competition? You probably can see the results that I reach, namely: that I think the time has come when the United States as a nation and the United States government should begin to take action to put an end to this unbridled and cruel competition and begin to take steps to allow manufacturers to make

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a reasonable profit and not to be told that free and open competition will bring about the proper adjustment and desired results.

“If the contests of nations lead to desolation and destruction why can you expect the same methods in the modern business world to lead to different results? I am not favoring the allowing and growth of gigantic trusts and monopolies, but I do feel that some means ought to be provided, some means ought to be devised by and under which this killing and competitive fight should be arrested. Are there not brains in this country sufficiently able and wise to work out the problem and devise some means whereby concerns who desire and are able to do an honorable business shall not be forced to cut their prices to such an extent that either they or their competitors are driven to the wall? Is it possible to limit in any way the number of concerns engaging in any one industry or regulating the concerns so engaged that they will not be put in a position to dominate and to oppress the consumer?”

“Are you not tackling a pretty big subject just for one luncheon?” remarked the president.

“Possibly I am, but there isn’t any question about the truth of the situation. Intelligent co-operation we certainly ought to have in a way that should bring the greatest good to the greatest num-

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ber. Personally I think that the trusts have done one mighty good thing in that they have brought about a lessening of economic waste. I am willing to admit for the sake of the argument that the trusts have taken too great a profit in doing this, but why hamper and destroy the trusts, which are working along the right lines, when very obviously the better thing would be to insist upon the proper conduct of the trusts?"

IX.

WE ARE IN BUSINESS TO MAKE A PROFIT AND NOT SIMPLY GO THROUGH THE MOTIONS OF MAKING A PROFIT.

I was alone with our vice-president at lunch the otherday. Everyone else was busy doing Christmas shopping. I always like to have an opportunity of lunching alone with our vice-president. His experience in the railway supply business has extended over so many years and he has been so careful an observer and such a reasonable and rational thinker, that if he has anything to say I always feel that if I disagree with him that I am in the wrong, and he sends me away again to straighten myself out. I remarked to him when we sat down at lunch together, that there is certainly a different atmosphere pervading everything at Christmas time. He said he had often thought about that and that if the Christmas spirit would only be carried on, even for a few months after each 25th day of December, that it would soon be pervading the business world throughout the entire year, that it would change all of our business ideas; revolutionize many of our business methods

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and would all work out for the greatest good to the greatest number.

I asked him if he did not think that the fact that Christmas came at the end of the calendar year had something to do with it, especially as regarded business. He said he certainly thought it did and went on specifically to state that when business is booming and when the main trouble of a general manager is to manufacture and deliver goods rather than obtain orders the question of overhead expense seemingly is not as important as in times of depression. It is under the latter condition that the best efforts of executive management are and should be directed to the reduction of the impersonal at the same time most distressing factor in business, namely: the overhead expense.

"Is it not matters of this kind that come more to our attention at the end of the year?" I put this question to him in the way of a reply to his statement. Pushing his chair back into a comfortable position, our vice-president talked to me quite at length on this question of overhead expense, and as near as I can remember it, this is about what he said:

"Much has been said and much has been written regarding this matter of overhead. The ultimate purpose being, of course, to reduce the final cost of the articles produced. It is axiomatic that the cost

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of an article is made up of three things, first: raw material used, second: productive labor employed, third: overhead expense. Profit does not begin until these three items have been taken care of. Putting this statement in the form of an equation it would read: material plus productive labor plus overhead expense equals cost. It follows that the cost is going to vary exactly as the three factors vary on the other side of the equation. If a manufacturer has to pay more for his material, his costs go up, if there is an advance in labor costs go up, if his overhead is increased costs go up.

“There is one phase of this matter, however, that it seems to me has not been brought out possibly as clearly as it might be and which can be illustrated by the use of the above equation—it is—that with decreased business, which decreases the amount of raw material and productive labor, the overhead when figured as a percentage, as is usually the case, increases with the result that in many cases it will be found that the ultimate cost of an article is not reduced, although the material and labor entering into the construction of it have been decreased on account of the fact that the overhead, being now spread over a smaller amount, is much increased from the standpoint of percentages.”

Here he stopped for a moment and said, “Let me illustrate this by the equation referred to. Raw

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material 100 plus productive labor 100 plus overhead 100 equals cost 300. We assume this is the true percentage for all normal conditions. Now let us decrease our sales one-half and see what we find. We will then have raw material 50 plus productive labor 50 plus overhead 200 equals cost 300. In other words, while you may either pay less for your goods or use less material and while you may pay less for your labor or use less labor the irreducible minimum of your overhead expense in percentages has increased with the net result that your goods may be costing you practically as much as before. It goes without saying that all the above is with the understanding that the overhead has been reduced to the lowest possible point."

I told our vice-president I did not quite follow him in this matter. I could see what he was driving at and that was that it was possible with the decreasing sales to get to the point where, with the present organization and equipment, we might be losing money.

"Well," replied the vice-president, "I am not sure that the above is clearly expressed, but the thing that has come home to me very strongly is that in spite of our efforts in a certain department to reduce the cost of material and the cost of productive labor there has been such an increase in the

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overhead that our result in costs is not as low as we had hoped it would be.

“Of course, the moral of this tale is that it is very foolish for manufacturers today to feel that they can safely reduce their prices in proportion to the reduction of their material and productive labor. It is equally foolish for the consumer to press, and press, and press, for a lower price as in the long run he will not be the gainer. What he saves in initial price he will lose in quality. Generally speaking, it seems to me that a fair price based on reasonable costs should be safest, as our experience has been that the decline in raw materials and labor is very often offset by the increase in overhead. The result, i. e., the cost being, generally speaking, the same.

“I realize, of course, that if this is not understood in the right way it is liable to serious criticism, but I do feel that there is a danger which all manufacturers are facing in their eagerness to obtain orders in underestimating the dangerous increase in overhead, which is just as much a factor in their costs as any material they purchase or the labor which they hire.”

That night at home, when I got to figuring over what the vice-president had told me, his equation stuck in my mind and I began to figure this thing out. In a general way no doubt he was right and

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we have got to constantly look out for our overhead and see that it does not overbalance the other costs. So I figured with paper and pencil an equation of my own, letting 100 per cent represent the cost of production for one month under normal conditions, this money having been spent for the following: raw material, productive labor and overhead, which includes all other costs of doing business.

Let us take the following as an arbitrary division of these expenses:

Labor, $33\frac{1}{3}$ per cent of total cost for one month (normal).

Material, $33\frac{1}{3}$ per cent of total cost for one month (normal).

Overhead, $33\frac{1}{3}$ per cent of total for one month (normal).

Letting M represent material; L represent labor, and H represent overhead, we have the following equation for a normal month:

$$33\frac{1}{3} M + 33\frac{1}{3} L + 33\frac{1}{3} H = 100 \text{ cost.}$$

Now if we come to a month when business is decreased one-half this equation still based on a normal month's business would be:

$$16\frac{2}{3} M + 16\frac{2}{3} L + 33\frac{1}{3} H = 66\frac{2}{3} \text{ cost.}$$

This is arranged on the basis that the overhead has been reduced in the normal month to the mini-

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mum and cannot be further reduced by slack business.

It will be seen immediately that $66\frac{2}{3}$ per cent of the cost of a normal month's business is lower than the normal month's cost, but on the other hand, it must be considered that a reduction of one-half in material and one-half in labor will produce only one-half of the normal month's output and that for this 50 per cent output the cost is $66\frac{2}{3}$ per cent, and that at the same selling price there has been a loss of $16\frac{2}{3}$ per cent of the cost during a normal month, or on the basis of the 50 per cent production there is an increase of $33\frac{1}{3}$ per cent in the cost of production over the normal cost of production.

These figures would seem to show that running a business at one-half normal output adds $33\frac{1}{3}$ per cent to the normal cost of production. At any rate when I got through figuring, while I didn't agree with the vice-president's equation in detail, I did in principle.

There is no question but what we attempt many times to conduct our business on the theory that our output shall always be normal. We ought to have learned a lesson in the last year or two, if we have never learned it before, that we never can figure on normal business and that one of the most dangerous things that we can do is to cut prices. We must figure carefully all of our costs, based on

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the experience of a number of years, and stick to them. We are in business to make a profit and not simply to go through the motions of making a profit.

X.

REGARDING THE VALUE TO A BUSINESS MAN OF HAVING AN IMAGINATION.

The president took us all out to lunch and paid for it, including the cigars. He said he couldn't afford to do it out of the profits of 1914, but he would take a chance on 1915. The vice-president asked him if that was about as long a chance as he wanted to take on the coming year.

"Well," replied the president, "we have to take some chances. A man with an imagination is always willing to take a chance, and, as a matter of fact, a good business man ought to have a pretty good sized imagination. Possibly the fact that only a few people have an imagination is an explanation as to why there are few comparatively successful business men."

The mechanical expert entered the conversation with the remark that very probably the vast majority of people are born without an imagination—never have made any attempt to cultivate one—and have no idea what imagination means or is.

"As for myself, I think that we may make of an imagination too much of a good thing. It is of course like many other good things. Too much of

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a good thing has been the cause of a whole lot of bad things, and one curse in business is the lack of keeping a good sized imagination within proper limits. The keeping of a good sized imagination within proper limits is absolutely essential."

The president smiled as he turned to me and said: "There is no question but what you have a good sized imagination."

"Does he keep it within limits?" queried the vice-president.

The president dodged and said he refused to commit himself.

"Well," I asserted with some emphasis, "I am going to hang on to my imagination because I don't believe that we will get anywhere unless someone keeps his imagination at work. I believe that this country is settling down to ten or fifteen years of the very best and biggest prosperity that we have ever known. The war in Europe is going to have the tendency to slow down the rising tide of business prosperity, and I believe it will be a pretty good thing. It's going to be a couple of years before we get under way, but when we get a-going, we are going to 'go some.'"

"I thought you didn't approve of slang," remarked the vice-president.

"Well, I don't except in the bosom of our own family, and I am simply using it by way of empha-

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sis. Now this ‘going some’ in business is going to be made possible only by a fuller realization on the part of the general public that prosperity in business is of greater importance to more people than anything else in this country. You know we can have bad crops, and a farmer can have two or three off years and get into debt, or he can have overproduction and have to use his crops for fuel or fire-wood, but in either case he is not going to starve; and, while agriculture is our largest industry, and the railroads come next, still, at the same time, business is larger, more far-reaching, and of more importance to more people than anything else could possibly be.

“Now, when there are hard times for the farmer, he can eat up last year’s potatoes and grow enough vegetables and fruit to keep him going, and patch up his old clothes. He has enough on the farm to use in the way of fuel to keep him warm. But what happens to the ordinary man in the business world—not only the man who works with his hands, but the man who works with his head and his hands, when we have hard times in business? A certain large percentage of men who are employed by business institutions, manufacturing concerns, industrial plants, etc., are going to lose their jobs—are going to lose their sources of income. They are not in the position of the farmer, where they have some-

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thing to fall back on, and in many instances it means actual starvation.

"It is all right to regulate business, but people generally have got to come to a fuller and more definite appreciation of what the word regulate means. A man can regulate his watch so that it keeps good time without tearing out the main spring with a pair of pliers in his enthusiasm at getting at the works. A man who regulates his watch must be very careful, and generally, if he has a good watch, he goes to a watch maker and does not tinker with it himself. There is no need of spoiling a watch just because it doesn't keep good time, and there is no need of upsetting business and bringing suffering and want to thousands simply because business is not keeping 'good time.' We are going to regulate it with just the same expert care as we regulate the watch on which we have spent a considerable amount of money. Now, some of the regulation of business has been done by taking a big monkey wrench to adjust some delicate cog. And we must simply stop doing it—that's all.

"Well—Here's to a prosperous new year, the best yet!"

XI.

[WHO "PAYS THE FREIGHT" BECAUSE OF THE "WAITING IN THE OUTER OFFICE."

"Did you ever notice what a difference there is in the way you sit down on a chair at different times, or the way in which different people sit down on a chair at the same time—I don't mean the same chair, but different chairs? Well, if you never have, do. I thought of it when the sales manager came in to lunch yesterday. He didn't sit down on the chair; he dropped into it."

"Well," he said, "I have complained a good many times about having to sit around in the outer office of some railway official for several hours waiting for a chance to talk to that particular individual regarding our product which might be used on the order that was hanging fire. Now, I would be glad of an opportunity to sit in an office like that for three days, just so as to know that there were some orders."

"What is it that the poet says about not appreciating one's blessings until they have departed?" I asked.

"Never mind your poets. I am in no mood to

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hear anything about them, nor your philosophers, nor anyone else."

"Well, then, I will leave them alone and come right down to something that ought to interest you. Just for the sake of orders you are willing to waste a lot of time sitting around railroad officials' offices. I can remember the time not very long ago when you were doing some very loud hollering here at the lunch table, due to the fact that you had traveled eight hundred miles and back, sat around a railroad man's office for a week or more, only to be told that no decision in regard to the forthcoming order had been reached. It is too bad I did not keep a record of what you had to say."

"That's right," remarked the sales manager, "go on and rub it in. Hit a fellow when he is down."

"Well," I remarked, "perhaps if I hit you hard enough, you would get up and go to it."

"I didn't order pork chops and sweet potatoes," broke in the vice-president. "I ordered a club sandwich."

"I should think the waiter would know by this time what you wanted without your asking for it," remarked the mechanical expert. "You have been eating club sandwiches at this restaurant for the last two years and a half, until I have come to consider you one of the experts regarding that particular dish."

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“The sales manager and I are pretty good friends—not that that is anything unusual in our organization, because we are all of us a pretty happy family and loyal to each other. We have to be in these later days of business, when you are standing with your back to the wall and fighting for your business existence, not only fighting competition, but legislation, and regulation, and investigation, and a few other things that end with ‘ion.’ Anyway, I was just saying that the sales manager and myself are on good terms, so I decided to elaborate a little on the subject which he had brought up.

“For some time the attention of the high railroad officials has been centered on possible economies. Undoubtedly a great deal of effective work has been done, and we cannot but believe today that the railroads are much better off than they would have been had not this investigation of method and adaptation of proper remedies taken place. The railroads are buying more and more economically, and rightly so, and we believe that the stockholders of the railroad companies of this country are enjoying dividends today which they would not have enjoyed had not railroad officials been as energetic and as able as they have been in this matter of economy. But the point that the sales manager touched on is one phase of the question that is of importance and seemingly has been overlooked,

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and that is the amount of time, which of course means money, that has been lost on account of railway supply salesmen and representatives waiting around railroad offices to get a hearing. I realize of course that the railroad official is a busy man, but I have been wondering whether or not a number of these gentlemen could not handle matters in such a way that if a concern had no show for the business, the representative of that concern would be told so. Furthermore would it not be to the interest of the railroad to permit the representative of the concern whose goods are acceptable to have an early hearing and a quicker decision than is in vogue at the present time?

"After all has been said, the old adage 'Jones pays the freight' holds true. If a manufacturer has to stand the expense of his representative waiting around for days and days, that expense must be taken care of out of the sale of his goods. In other words, the overhead expense must be increased by the amount or value of the lost time, in order that the manufacturer shall break even. It therefore follows on the final analysis that it is to the advantage of the purchasing officer to come to as early a decision as is proper, and thus avoid the unnecessary loss of valuable time, which the railroad company in the end must pay for.

"Not only is this true in the case of time being

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used, but also in a number of cases where men are summoned many times from a considerable distance; three trips are made where only one would have been necessary, and the railroad eventually must take care of the expense for the two extra trips. There are some wonderful exceptions to the general practice. I have in mind a number of purchasing officials of high standing who are experts in the quick handling of the men who call upon them, and who seem to have innate ability to quickly dispatch important business. These men buy just as closely as those men who take up considerably more time. It is well for us to remember the old adage ‘Time is Money,’ and when you couple with this the second axiomatic truth that the customer eventually must pay for the goods, the conclusion is that it is to his, the customer’s, interest to have transactions taken care of and handled in as brief a time as is proper.”

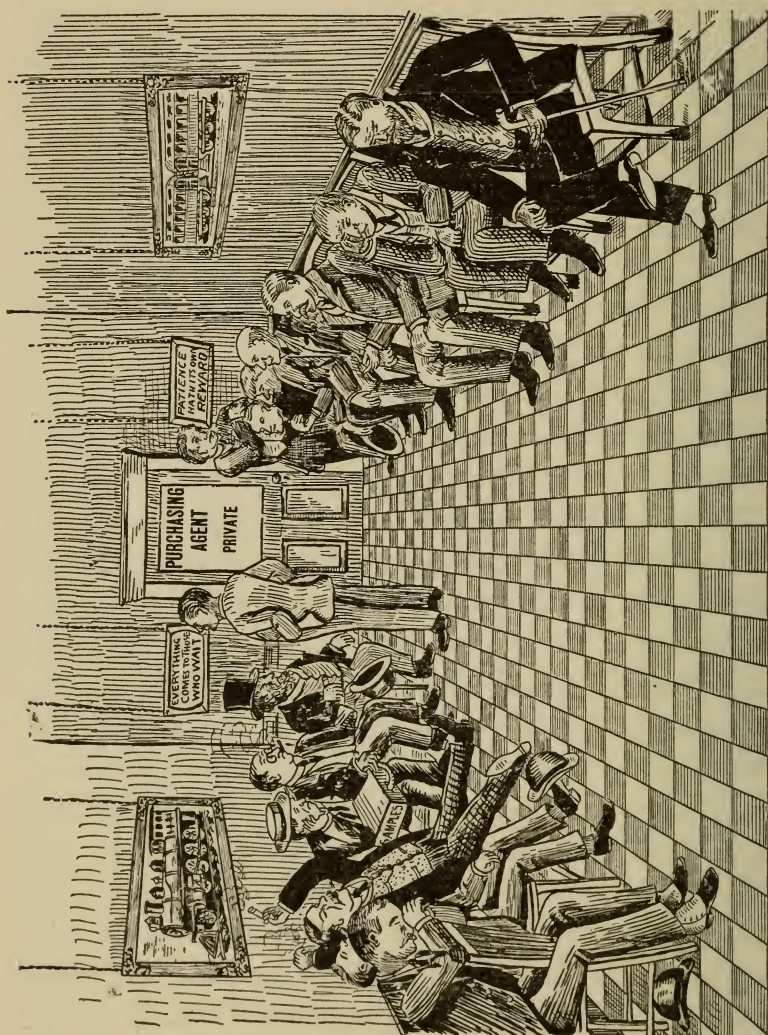
“When I was a young man,” remarked the president; “I will correct that—when I was a younger man, I was working for one of the big jobbing houses here in Chicago, and was assistant to the general sales manager, who was one of the junior partners in the firm. He had a big buyer in from the far west, and the junior partner and the senior partner invited the customer out to dinner. I was taken along, as the junior partner said that I might

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get a little experience in the proper handling of a big buyer. We had everything to eat that anyone would want, all the way from soup to nuts, and plenty to drink, even for those days. When we were all through with the dinner, and everybody had had everything that they wanted, the head of the firm was still very insistent on buying something more for the valued customer, and fairly insisted on another bottle of wine. The buyer had had more than plenty, but the senior partner would not take a refusal; the wine must be ordered, and the buyer finally submitted. 'Very well,' he said, 'bring it on. I am paying for it anyway.'

"I don't know," continued the president, "as to whether the general sales manager expected that I would learn just what I did learn that evening, but I have never forgotten that dinner, and when I keep a salesman waiting for a day or three days or a week, when I have him come to see me from a thousand miles away, or even five hundred, I figure that I am paying for his time, his hotel bills, and his railroad fare, and I do not see why this is not just as true in railroad purchases."

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THE OUTER OFFICE.

XII.

CORRESPONDENCE.

"Who 'pays the freight' because of the 'waiting in the outer office' " developed no little correspondence with the editor and as it is so pertinent to the subject it seems fitting that some of it should be included in this "autocrat" series. The writers wish their identities concealed and naturally their wishes in this regard are respected.—The Author.

THE OUTER OFFICE.

Editor, Railway Review:

The man who wrote the article on waiting in the "outer office," under the title "The Autocrat at the Lunch Table," is no editor, but he ought to be. I don't know who he is, but I am sure he must be a brother railway supply man who has gone through the mill as I have.

For thirty odd years I have been wearing out chairs in the outer office of railway officials who have in hand the purchasing or requisition of equipment and supplies, and for the same length of time I have been wearing out shoe leather and patience, and spending money for railroad fare, Pullman, and hotels. I have often traveled five hundred or a thousand miles when an order was pending, had a talk with the railroad official, and was told to wait

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over a few days until they could come to a decision. Time and again no decision has been reached, nothing done, and I have wandered back home, either to hear that my competitor got the order, or else to get another request to come the five hundred or a thousand miles, and go through the first performance over again.

Conditions have changed a little since I first began my career as a peddler for a railroad supply house, but I think there is a whole lot of room for improvement, because the time wasted in this way has to be paid for by somebody, and the somebody in the final analysis is the stockholder of the railroad.

I am not very much of an artist, but I am taking the liberty of sending you a picture which I think will express not only my own feelings, but I think it will express the feelings of a great many of my fellow supply men. So far as I am personally concerned, I have no objections to continuing in the old way. I am accustomed to it, and it doesn't bother me at all to sit in the office of a purchasing agent for an hour or ten hours. I have sat in uncomfortable chairs in the outer offices for so many hours, for so many years, that my physical constitution has become adapted to such chairs, and I really feel uncomfortable in an upholstered or cushioned chair. My sense for the artistic has been

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destroyed by spending so much time gazing upon the four bleak walls of an ordinary railroad office. Perhaps you can deduce this fact from the drawing which I am sending you.

Of course, the railroads are absolutely dependent upon the railroad supply industry for the successful operation of their lines, as the improvements in locomotives and cars and appliances that go with them have been the product of the brain and brawn of the manufacturers of railway supplies. It is the railway supply man who builds the bridges and equips the railroads with signaling systems. It would almost seem that he would be welcomed as a long lost friend in the office of almost any railroad purchasing agent in the country.

There is one fellow who is buying for a railroad—I won't mention his name. He is as bright as a steel trap, and always has time to see you, if only to say "Hello"; he doesn't try to beat you down to the last red cent when you are selling him something, is always appreciative of anything you can do that will benefit his road, and I want to say that I don't think there is a railroad in the United States that gets any more for their money than does that road. That fellow has got a way of getting every railway supply man to work for him, and I am not ashamed to say that I am one of them. Whenever I hear about anything that is es-

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pecially good, I always go to that fellow with it first. It is needless to say that the picture that I am sending is not sketched in nor of his outer office.

“An Old Timer.”

THE INNER OFFICE.

My Dear Mr. “An Old Timer,”

Care Editor, Railway Review:

I read your letter in the last issue of the *Railway Review* with a good deal of interest and I enjoyed taking a look at the illustration which you worked up. I don't think you will take it amiss if I talk to you quite frankly in regard to the situation which you discussed in your letter. I have been on the other side of the fence. I was a “peddler” before I became a purchasing agent. I appreciate that there is some truth in what you had to say and I don't think your picture is at all overdrawn, but since I have been sitting on this side of the desk I have been looking at things from an entirely different viewpoint, and I am able to see some things now that I was unable to comprehend when I was in the position that you occupy.

You know the purchasing agent of a railroad has to buy that which costs the least money, and I am not looking at it from the standpoint of what is the cheapest in the first cost. I think I keep pretty well in mind in my purchases what the cost of any appliance will be in the final analysis. Now it is

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possible to do this without listening to the arguments of the average salesman. If a railway supply house, instead of sending out salesmen, so called, would send out someone from their shop or drafting room, who really knew how the appliance was made and constructed, the average purchasing agent could get at just the value of the particular appliance a good deal easier than he does now, and with a good deal less waste of time. Nine-tenths of the men that come into my office come in to sell me something, and possibly that is all right from the viewpoint of the other side of the desk; but I am not hired by the railroad company, for whom I am working, to buy for this company in just that way. I am looking for information, and the man who can educate me is always welcome. The man who can talk to me I must endure, and he is the type of salesman that clutters up my outside office. I want to be courteous and give everybody an opportunity, but in these days of most careful buying the purchasing agent must scrutinize pretty carefully the thing bought, and he is looking for a salesman who will help him in this scrutinizing. When the time comes when railway supply salesmen are experts, not in selling, but experts in designing and manufacturing, there will be fewer men sitting in the outside office.

We have our problems in a railroad office and

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are looking to the supply man to help us with those problems, not to talk us into doing something. I am more and more surprised every day at the amount of time that is wasted by the railway supply men around a railroad purchasing office. It looks as if they depended upon selling what they had through a process of wearing out a railroad man. Instead of wearing him out, why not help him out? I notice another thing too, the better an appliance is, the more apt it is to be represented by a man who is rather a technical expert than a salesman.

Another thing I can't understand and that is why you supply concerns, most of you, use such hackneyed stereotyped advertising copy in the various railroad papers, when you might be giving real information that would be of value both to you and to me. I can assure you that the *Railway Review* does not have to sit in my outer office, but is given careful consideration each week. I have been reading with a good deal of interest these articles in the *Railway Supply Man's Point of View* department, and perhaps I am doing it more than many railroad men would do because of the fact that I was in the supply business myself. I know you have problems in your own particular field and I think the railroad man should recognize these problems and co-operate with the supply manufacturer as we are really all one big family.

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THE INNER OFFICE.

I am not an artist myself, as you are, but I got one of the boys in the drafting room to make up a sketch, which I hope the Railway Review will print, as it will show one way at least of saving time so that you won't have to spend so much time sitting in "the outer office." I think this question which you brought up can be solved and solved by the supply interests in the character of salesmen that they employ. It is a matter that is largely up to you.

* * *

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THE OUTER AND THE INNER OFFICES.

My Dear Mr. * * *,

Care Editor, Railway Review:

I am a good deal interested in what you had to say in the Railway Supply Man's Point of View article, and if the editor doesn't want to print what I have to say, I hope he will pass the letter on to you, as I am very much in earnest in wanting to pursue this subject further, as there is no question but what somewhere between the railroad man and the railway supply man there is a great big economic waste, and if we can discover some way of eliminating, or even minimizing the amount of this waste, it certainly ought to be worth while.

There are two questions that I want to discuss with you, suggested by your communication. The first is the character of the salesman that calls upon railroad officials. Won't you give me just your ideas of what a salesman should be? You say that you have been on both sides of the fence and you ought to be just the man to tell us. If the railway supply people can find out just what sort of a salesman the railroad man wants to have call upon him, you can rest assured that those are the kind of salesmen that will be hired in the future.

Second, as to the question of advertising, what you say and the sketch which you had made up

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would seem to indicate that the proper thing to do is to advertise in the *Railway Review*. Now I must agree with you that the *Railway Review* is a mighty good paper and so far as originality and bright matter is concerned, it is about the only railroad paper that does anything on this order. It has seemed to me for a long time that our railroad papers are awfully heavy and edited in a good deal of a rut, but would you advise a railway supply man confining his advertising to the *Railway Review*? If you want to speak right out in meeting, won't you give your ideas on this matter as well? If we can save money by telling our story through the *Railway Review*, or through some other advertising medium, and keep our salesmen at home more, rest assured we would be delighted to do it.

"An Old Timer."

THE OUTER AND THE INNER OFFICE.

My Dear Mr. "An Old Timer,"

Care Editor, *Railway Review*:

You asked me two questions in the *Railway Review* of last week, and I am very glad of the opportunity to answer them, and I will do so to the best of my ability. If I do not make myself clear; or if there is some further information that you want; or if you do not agree with me, I hope I may hear from you through the editor, even if he does not

care to publish our discussion. I am most thoroughly in earnest on this matter, as the extravagance in the selling department of the railway supply business has to be paid for by someone, and I have a feeling that in the final analysis, it is not the railway supply manufacturer, but the railroad that has to foot the bills.

You want to know my ideas as to what a railway supply salesman should be. Perhaps the best way of getting at this is to tell you in the first place what I think he should not be. There is a type of salesman who calls on me that insists on my going to the theater with him—that I must play golf with him; that I must take an automobile trip with him; that I must visit him on his farm; that I must do a hundred and one different things. He is a clever individual;—I know that he sells a large amount of railway equipment and appliances; he has a faculty for never forgetting a name or an address; he always remembers you on your wedding anniversary or your birthday; in fact, he excites my admiration, but I always have a feeling that the railway supply manufacturing company that employs a salesman of this type, who is a master of his art, does so for the reason that the product which they have to dispose of is inferior to that which their competitor is selling. Therefore, what they lack in merit they must make up in salesmanship.

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There is another type of salesman, who talks very loud, and who sometimes weighs about two hundred and fifty pounds; always insists on buying you a drink; knows very little about the real problems with which a railroad man is wrestling continuously; doesn't even know much about what he is selling; wants to slap you on the back, and by powerful use of his lungs and mouth, force you into buying whatever he may have to sell.

Then, there is still another type of salesman, and I admire his qualities of persistence. He is like the poor—"always with you." He haunts you continually—turning up like a bad penny. He seemingly trails you like the eagle-eyed detective in the dime novel. You find him sitting next to you on the street car; he is in the pew back of you at church, if you go; he is the first man at your office in the morning and the last one to leave at night; if you ever have a chance to take a vacation, he is fishing in the boat next to yours, or playing golf in your immediate vicinity; or if you break down on an automobile trip, he is there within five minutes to help you out. He depends upon his success in wearing you out. The worst of it is he seems to thrive on the business of constantly shadowing a railroad man. I knew one who made a specialty of giving theater parties and nice little picnics to the children of railway officials.

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Of course there are lots of other types of salesmen, but I will not take up your time by enumerating them. The three that I have mentioned have just occurred to me as I am dictating this letter. What you are really after is the type of salesman who I believe should be employed by railway supply manufacturers.

I know of no better way of telling you my ideal of a salesman than to describe a certain railway supply man, who began calling on me about fourteen or fifteen years ago. I knew him first when he was a young fellow, just out of the shops of a certain large railroad, where he had served as an apprentice. He was sent down to me by the concern for which he was then working (and by the way, he is still with that same concern) to straighten out some mistake that had been made in some castings. It was rather an important matter, and I saw him personally when he came to our office. I liked the fellow at once, because, instead of explaining how the mistake occurred because our specifications were not as full and accurate as they should have been, and so putting the blame on us, or saying that the shop superintendent was at home sick, and thus excusing his own company—he dug right into the important question, and that was what could be done to rectify the mistake, and that

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at once, causing us the least possible trouble, delay, and expense.

I have watched that salesman during these years, and he has called on me a great many times, develop from a boy into a man. He is always bubbling over with enthusiasm and optimism and loyalty to the concern for which he works. He believes thoroughly, but not blindly, in the equipment which they are manufacturing. When we are in the market for equipment he comes into my office, gives me in a few words all the information that I need. He tells me what service conditions have developed for his equipment on other roads; tells me very briefly what the methods of their company are that will insure the appliance which he sells standing up in service. He does not run down the other fellow's appliance—does not intimate that he knows a little bit more than anyone else about that particular line of business. He does not have to. Any man can see that he is so well informed on his subject that it would be hard for anyone to really know much more about it than he does. His whole attitude is not one of attempting to sell me anything, but rather, he has an attitude of wanting to help me arrive at a decision as to what I had better use, and arrive at that decision because of my own judgment. He is always full of suggestions as to how I can check up on the serv-

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ice qualities not only of his appliance, but others as well. I never see him but he has some suggestions to make which are of value in my department and for the good of our railroad. In a word, he keeps his eyes open, and I look upon him as the best posted salesman who calls upon me. I always have a feeling that if there were any other competing concern that made a better appliance than his company, he would immediately change his connections and go to work for the competing concern. He impresses me, and always has, with a thorough-going honesty, and with the conviction that what he sells does not need to be bolstered up by cigars, stories, entertainment, nor anything else. He is one of the kind of fellows who thoroughly knows his own business and frankly and freely gives you the benefit of his knowledge.

There is one other little thing that I forgot to mention further back, and that is that whenever he comes in to talk to me in regard to selling me something, he always has written out very briefly, in convenient form, a summary of all that he has to say to me in regard to his own appliance. He leaves me in concrete form such statements and information as make it possible for me to check up and prove whether what he said is true or false.

Briefly, the type of salesman who should call upon the railroad people is a man who thoroughly

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knows the methods of manufacturing his own appliance, and who is also thoroughly familiar with the conditions under which it must see service. Then, he must not be a salesman who wants to sell me something, or put something over, but he should be a man who, out of his experience and knowledge, wants to help me select, whether it be his own appliance or another, what is best to use on our road.

Now, as to your second question as to where and how to advertise. I do not feel that I am competent to answer your question as it should be answered. Advertising is getting to be a business by itself, and if I were in the supply business, I should want to get hold of someone who knew advertising,—who knew railroad men personally,—who understood railroad problems and studied them, and who was, in addition, to this, a man who understood my own business. It may seem a rather difficult proposition to get a man having all these qualifications, but I feel very sure from some of the advertising that I have seen that there are such men in existence.

You asked me specifically about the *Railway Review*. I have always read this paper with interest, because it is doing something that other trade journals do not seem to be attempting to do, viz., discussing our problems and not simply reporting what has been done. I think if I were going into

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the railway supply business, I would want to use a page in it each week in the form of an open letter to railroad men, telling them of my business,—what I had—what relations it had to their own problems; in a word, give them all the information that I could that would enable them to decide as to whether what I had to sell would meet their requirements or not.

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THE OUTER AND THE INNER OFFICE.

Mr. Dear Mr. * * *

Care Editor, Railway Review:

Thank you very much for your ideas on the question of salesmen and salesmanship, and also advertising. I will grant that theoretically you have put up a first class argument, but practically I think you have fallen down. You know we are all of us human, which means that we are not perfect. If we were, perhaps your theory would work out.

Now, that beautiful quotation, “If a man can write a better book, preach a better sermon, or make a better mouse trap, than his neighbor, if he build his house in the woods, the world will make a beaten pathway to his door,” sounds very nice, but it doesn’t work out, not in the railway supply business. The man with the best railway appliance that you ever heard of, practical, efficient, meri-

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torious, money saving, service giving, you might almost call it necessary to the operating of a railroad, can grow old and gray-headed, and die in the poor house, before he would ever sell anything of merit unless he had a good, clever, wide awake, salesman on the job.

I agree with you most heartily in objecting to the types of salesmen which you mentioned as prefacing your remarks on what a salesman ought to be. I think your idea of a salesman as an educator,—in a word, a man who knows how to teach, is all right. Again, as a theory, this is very good, but educators belong to colleges and schools, and they won't do for the railway supply business. I believe we have to send out men who not only know their business and can talk understandingly of problems in railroading, but who understand human nature. There are men who appreciate a cigar; there are men who expect a salesman to take them to the theater, and there are railroad men, buyers of railroad equipment, who take for granted a whole lot of favors of this kind, and you cannot sell them an article of even the greatest merit without catering to them in some way or another. Just let us analyze your own ideal of a salesman, which I think you put most aptly by describing a real salesman whom you know, and whom you have known for a number of years.

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Here's a young fellow who, the first time you meet him, doesn't attempt any explanation as to a mistake, doesn't put the blame on you nor on his own concern, but energetically goes to work to see how the error can be rectified without any delay or expense to your road. Did that young fellow show the characteristics of an educator, or of a salesman, when he went at his problem of straightening out your troubles? I see nothing of an educator in him at all. He was a salesman, and salesmanship was born in him. He saw then just what kind of a man you were, business from start to finish, interested in having your road get what was coming to them for the money expended, and he went deliberately to work to win his way with you by doing the very thing you wanted done. If you had wanted to do something that was detrimental to the interests of your road, that young fellow would never have stopped fighting until he had shown you the error of your ways, and you would have liked him all the better for it. Would he have done this because he had the instincts of a teacher? Not at all. Pure, unadulterated salesmanship.

In the very first part of your description of the ideal salesman, you unwittingly contradict what you afterwards affirm. You attempt to eliminate personality from the business of selling railway appliances; you seek to prove that it must be placed

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upon cold basis of merit. I do not want to say a word against your ideal salesman, but he has you lined up with him because he is clever enough to do the things which you like and appreciate. I will bet a dollar to a hole in a doughnut that he calls on a lot of railway men where he takes to them in an entirely different way, where they smoke his cigars, and where they go to the theater many times on the expense account furnished him by his company. A railroad purchasing agent or railroad man who has anything to do with the buying of equipment or supplies is not very different from an ordinary man. Other things being equal, he buys from the man whom he naturally likes. I do not mean by this that he buys simply for that reason, but he does to a certain extent, and this is true of all of us. You cannot get rid of personality in any transactions in life. This salesman whom you refer to has your confidence. Why? There is just one answer, and that is:—not because he is well informed, and I will grant that he is, but because he is a clever salesman, doing the things that appeal to you. What appeals to you will not appeal to some other brother railway man, and for that reason we are going to have all kinds and conditions of railway supply salesmen, and the smarter salesman is going to make a record for the larger sales. You know and I know that the success of the railway supply busi-

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ness, while dependent to a certain extent upon a meritorious product, also has to depend, and to a very large extent, upon good salesmanship. I for one would be glad to see a large amount of the unnecessary extravagance in selling eliminated, but it is going to be a long, slow process.

Just a word in regard to your reply to my second question, that of advertising in general and advertising in the *Railway Review* in particular. I rather think you are right in regard to the use which you suggest of a page every week in the *Railway Review*. I think I could use it to advantage if I could find some one with ability to write something to fit it each week, but the Shakespeares in the railway supply business are few and far between, and personally, I don't know of any one who can write either interestingly or intelligently regarding railway supplies and equipment every week.

I appreciate very much your taking the trouble of writing me as you did, and would appreciate it still further if you would give me your name, as I would like to talk things over further with you. I will promise you, however, that I will not attempt to sell you anything.

“An Old Timer.”

[Note—We have taken great pleasure in bring-

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ing the railroad man and the supply man together. We rather regret the fact in a way, as it will deprive our readers of a rather interesting discussion which might have been continued with profit.—The Editor.]

XIII.

INTERFERENCE WITH BUSINESS AFFECTS EVERY INDIVIDUAL'S POCKETBOOK.

"I wish they would put a good sized muffler on that orchestra," remarked the sales manager as we sat down to lunch.

"Or else hire somebody to choke them," said the vice-president.

"Well, evidently the proprietor of the restaurant is catering to the majority. He has a pretty popular place here and he must know what he is doing," I remarked. "The fact that this particular luncheon party doesn't appreciate an orchestra doesn't say that it is not generally appreciated. As a matter of fact, why shouldn't a man in the railway supply business want something stimulating right now, if it's only music? You know they give soldiers plenty of it, and of the most stirring kind, because they think they get better fighting out of them and it helps them along on a tedious march."

"I don't see what that has to do with it," broke in the sales manager. "We are not soldiers and don't want to be."

"That is true, but we have a good sized fight on our hands most of the time, and especially just at

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present. I will agree that we don't really crave music of any kind, except that low musical sound that is made by an order. There are other things that military authorities furnish, and vastly more important than the fife and drum idea. We used to send our soldiers into battle to the strain of some inspiring national melody or march and expect them to do better fighting, but we don't send soldiers into battle the same way these days as we did fifty or a hundred years ago. We are not going to get the business in any hurrah fashion, even if there was a time when we could put it over that way. I think we have something to learn from military tactics which might be applied to business."

"Possibly that is all true," broke in the vice-president as he ordered his regulation club sandwich.

"You know the importance of having soldiers well fed," remarked the president, as he placed a good liberal order with the waiter. "You don't think you are going to be able to do your duty by this company as its vice-president if you continue to feed on club sandwiches, do you? You need something more substantial than that to get business moving again."

"A full stomach and an empty head," remarked the mechanical expert.

I was afraid it would lead to a rather lengthy discussion if I picked up that remark. I don't think

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much of that theory and never did, because if a man's head is so weak that it is affected by what he eats, I don't believe he can do much with it anyway.

“Somebody was asking me the other day,” said the sales manager, “what we could do now that would be of benefit to business, that is to our own particular business when there wasn't any.”

“There isn't very much to be done,” I replied. “What is affecting our own business and business generally right now had its causes way back, months and possibly years ago. We cannot win battles today on the spur of the moment and with the help of volunteers. It means the most careful, thorough and systematic planning years in advance of a battle or a campaign, if it is to be waged successfully and a victory won. We have the same proposition in business. We have to plan for the future. We cannot, when we meet a difficulty which is here because of basic fundamental reasons, remove it in a few weeks. There is something fundamentally wrong with business, and has been for some time. We are feeling the effects because we are not far-sighted enough to have been at work some time ago in removing the cause.

“What interests us more right now and where we can do more effective work is in planning for the years that are to come. It must be that somewhere in this big country of ours there are business con-

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cerns that are conducting their business affairs more successfully than are we. There must be some concerns, differing not so greatly from our own company, who have a more efficient system of bookkeeping, who know their shop costs better, who have better ways of buying material, who have better sales methods, with apologies, of course, to the sales manager. I don't like to criticise our president; it is not in the way of criticism when I suggest that possibly there are some things being done by presidents of other companies which would be worth while for us to study. The conduct of business is a problem and nothing will do us any more good and will be any more worth while than to take hold of our own business right now and discover our weak points. We must admit that we have some. Let us get rid of them."

"That all sounds very fine," said the president, "and I can agree with what you said, but there are conditions over which we have very little control—legislation by the government, which reflects simply the voice of the people, and many other things concerning business generally. It is not ours to decide."

"I think right here is where we are making a mistake. The welfare of general business is everybody's business. We will take that for granted. The result is that the job is not being very well

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handled. Isn't it up to us, as a company, to take an interest in general business? The fact is I think that out of the very poor conditions which prevail just at the present time is coming a whole lot that will be for the good of business collectively and individually. It means a campaign of education as to what business really means and how it affects people in every walk of life. The voters of this country have got to have a thorough appreciation and understanding of the fact that business is some concern of theirs and interference with business means interference with their own pocketbook and income. Now I don't know who is going to educate the people up to this understanding if it isn't the business man, and why this company of ours is not just as much concerned as anyone else I can't understand. The fact that some of our neighbors are not taking any very broad view of the situation is no reason why we shouldn't."

"Well, we have some organizations that are doing some good work all over the country in the interests of business," remarked someone at the table, I forget now who it was.

"Yes, that is all true enough, but 'organizations' are composed of individuals or companies and the life of the organization is going to depend very largely upon how much life there is in the members of the organization. We can talk about this whole

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proposition until we are tired, and possibly that precedes the doing, but certain it is that the business man today has got to be continually alive to the situation and has got to keep uppermost in his mind the fact that the people of this country must be educated as to the needs and requirements of business and the effect of business upon every citizen of this commonwealth. We are going to have hard times and panics periodically until we can get this whole question thoroughly and constantly before the people as in the final analysis they have the say."

XIV.

THERE ARE TWO SIDES TO EVERY FENCE.

"Did you ever notice," I asked the president, after our entire business family had ordered luncheon, "that a man's appetite is never so keen following the holidays as it is at any other time?"

"Probably you have noticed it this year," he replied, "as every one is making an attempt at least to be economical."

"No, that's not the reason. A man's system is surfeited with candies and sweets and pastry at Christmas and New Year's, and it takes the edge off his appetite."

"That may all be so," remarked the president, "but if you would spend less time theorizing on non-essentials and put more of your gray matter to work on essentials, you might be in a better position to earn your salary."

As I am always looking for an argument, I wasn't going to hold back even for what the president might say, because he is eminently fair-minded, and I think listens even more carefully to the men who are working for him than he would listen to some one for whom he might be working.

"It's a great questions as to whether anything is

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non-essential. Everything is essential in that everything has an effect."

When I made this statement the president just smiled and said: "Well, go ahead; let's hear what you have on your mind today. Perhaps it is just as well not to discuss anything too serious during the lunch hour."

"I will drop the subject for something which pertains more closely to our business, if I may be permitted," I said, "and talk somewhat along the same lines, using as my illustration business condition so far as this company is concerned.

"If the physical being does not crave as much food at one time as another, no matter what the cause, is it unreasonable to suppose that there will be variations in business? Isn't it possible that buying may be overdone—that we may be choked with products purchased?"

"I haven't noticed anybody choking," interrupted the sales manager; "that is, among the railroad men. They really look as if they are coming nearer to being starved to death for want of material and appliances."

"Probably our autocrat is looking at this in a little bit broader way," suggested the vice-president. "He evidently intends to give us a dissertation on the ebb and flow, the rise and fall, the expansion and contraction in the business world. He

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evidently intends to illustrate the law of supply and demand to show us how the depression in the railway supply business has been directly caused by the workings under this law.”

The mechanical expert was sitting next to me at the table, and I remarked to him very quietly that I wished I could talk off-hand the way the vice-president does, instead of laboring over my words and getting involved in my meanings.

“I see you want to talk, anyway,” said the vice-president, who had observed my whispering to the mechanical expert, “so go ahead. You are well named the ‘autocrat,’ for you insist on doing all the talking at every luncheon.”

“Seriously, now,” I said to the vice-president, “I am a believer in these great fundamental laws, and I am strictly in favor of not trying to repeal or amend or interfere with the workings of them, and that is about what has been happening here in the last few years. Business is in the condition that it is, due, not so much to the workings of the law of supply and demand as to the interference on the part of a few finite human beings who imagine that they have infinite wisdom and can improve a little on what the Almighty has established as being fundamental laws in the operation of things.”

“I would just like to know what your ideas of fundamental laws are,” remarked the president.

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"That's a pretty tough question to put to a man when he is eating his lunch, as it is a question that certainly requires some thinking. There are several men in the history, who I must admit knew at least as much as I do, who have spent most of their lifetime in trying to figure it out, and I am not going to do it now in fifteen minutes while I'm eating my lunch. Besides, you said that we were to keep this conversation somewhere within bounds so that our lunch will be not only enjoyed, but of some direct and lasting benefit to our physical and mental well-being."

Just then a railroad man came over and sat down at the table with us.

"I heard the word 'autocrat' mentioned," he said, "and I'm wondering if I can discover in this little group the man who writes under that title for the *Railway Review*."

"He is an autocrat and he is an egotist, and he is a pessimist, and he is an optimist, and a few other things," remarked the sales manager, "and there he sits" (pointing to me).

The railroad man turned his attention to me at once and began to tell me what he thought about what I had had to say in reference to the amount of time wasted by supply salesmen seeing railroad officials.

"If you were on my side of the fence you would

see things in a different light. There are always two sides to a question, and I think that the supply man is more to blame for this deplorable condition, because it is deplorable, than is the railroad man.”

There is a way of remedying this trouble, and the railroad man began to tell me how to do it.

“Don’t,” I said; “I can’t take it down in shorthand and my memory won’t hold out. But why don’t you address a letter to the editor of the *Railway Review* and give him your ideas? That’s what the paper is being published for. The editor wants to get opinions from everyone, thrash these subjects out, and see if we can’t get somewhere. I don’t believe everything I write; I am simply trying to stir up a discussion.”

“I’ll do it,” said the railroad man, “and I’m going to address my letter to that fellow who signs himself ‘Old Timer.’ He evidently is, and I can tell him a few things which I think will get him straightened out.”

As we left the restaurant I said to the railroad man: “I wish you would write something and send it in to the *Review*. I am sure they would be glad to publish it, and really we get somewhere when we thrash these things out. There is nothing like putting yourself down in cold black and white on a printed page. It gives the other fellow a chance to go after you when you have gone on record as

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saying something, and you have to be pretty careful what you say when it goes down in print. I am a great believer in discussions; we have enough of them at our lunch table every day, but I do think that writing them out afterwards helps to get us somewhere."

As we walked down the street the railroad man caught up with the mechanical expert and I saw them have a few minutes' very earnest conversation.

"What did he have to say?" I asked the mechanical expert when the railroad man had gone.

"He wants to talk to me about some cars they are going to order," said the mechanical expert, "but he wanted nothing said about it, and he tells me that there are a whole lot of railroads who are figuring very quietly on their needs, and they are going to buy carefully and conservatively, and are going to be sure to get the best."

"If they will only hang on to that idea of buying the best," I replied, "there is plenty of business ahead for us."

XV.

THREE GREAT FEARS.

Our little business family had their usual luncheon, but the autocrat was among the missing, being home, in bed, and sick. Perhaps we should put it the other way—being sick, therefore, like a wise man, in bed, and, like a wiser man, in his own home. There is no place like home for being sick. It isn't very often that I get laid up, but I was this time, and I am still feeling the effects of it.

The sales manager told me it was a great relief to have me absent from one lunch, where they could eat what was set before them in peace, and not in pieces, due to my continual interruption in the way of talk. Of course the sales manager thinks that nothing should be talked about at lunch except something in the way of alleged humorous stories. He goes on the theory that it's an aid to digestion. I would not exactly accuse our sales manager of being unable to talk on serious matters, but I will say that he doesn't want to.

When a man is sick, lying in bed, with nothing to do but look at the ceiling, too tired to read, he gets to thinking, and if he is sick enough, he gets to thinking some pretty sober thoughts. Your autocrat held quite a little conference with himself this

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last week, not feeling in the mood for reading, and the doctor always suggests the fact that everybody has to die some time or other. A person can avoid paying taxes, avoid getting married, avoid working for a living, and dodge a whole lot of things, but he can't dodge death. We figure out almost everything in this old world of ours, and probably more time has been put on this problem than any other one question, but it still remains unsolved. Of course, we don't know what life itself is.

There seem to be three great fears always uppermost in the human mind. They are antagonistic to life, or to the will to live. The first is death, the second poverty, and the third public opinion. Possibly the question may arise right here as to whether such a discussion has any part in the railway supply business. The second great fear which I have mentioned suggested a whole line of thought to me because it is so closely related to the railway supply business at the present time,—that is, poverty. If the wolf has never been at the door in the supply business heretofore, he is certainly close enough this time,—in fact, close enough so that we can hear his howling in the near distance. There is no question but what we want to get rid of him. To do it is a big problem.

To get back—without attempting to analyze life, or discover what it is, it might be interesting to

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know why life fears death, poverty, and public opinion. Perhaps a discussion of death might be thought barred, as we are not supposed to enter the religious field, but should rather stay within the confines of our own bailiwick. Of course, when we speak of death, we speak of physical death;—being a matter having to do simply with the physical, it is more or less unimportant and we can drop it.

But what of poverty? Why the fear of poverty? Is it closely connected in our thoughts with physical starvation, and hence physical death? Partly so, perhaps, but I am rather inclined to think that the fear of poverty on the part of life is more because poverty circumscribes and limits the possible, fuller development of life. Absence of poverty makes possible progress either for a race or an individual. Where either the individual man or the individual nation has to spend its entire time in providing food to keep from actual starvation, there is no opportunity for progress or development, individually or collectively. While life fears death, and for that reason fears poverty, life fears poverty more because of the sub-conscious knowledge that poverty stands always in the way of progress, and life itself is progress.

But why should life fear public opinion? Possibly this fear is simply an echo of the past,—perhaps an atavistic tendency of thought,—we may

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inherit it from the far-gone ages when "might made right." I think perhaps I am all wrong in this. When I get down to "might makes right," I find that this is something belonging to the present day. We have not yet grown out of and away from our savage instincts. The will of the majority still rules, not because it is right, but because it is "might."

It is possible that we are not analyzing along the right lines. It may be that public opinion helps life in its progress by rightly directing its course. Still, it is sometimes a question if public opinion is always right. There is a chance that it is, in the finality of things. It is very evident that the greatest good to the greatest number is right, and when we have a wrong perpetrated upon the greatest number, we begin to get a protest from them, and this we call "public opinion."

I can just imagine the howl that will be forthcoming from the sales manager when he reads this. "What's all that stuff got to do with the railway supply business?"—I hear him say.

If there is anything fundamentally wrong in the railway supply business, it is that we are not taking up fundamentally, fundamentals in the conduct of our business. The high cost of living, or the cost of high living, the regulation of railroad rates, legislation for or against business, competition, or

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combination, free trade or protective tariff, are not entirely caused by nor settled by political parties, theological professors, or efficiency experts. We must drive deeper in our investigations than we have been doing; we must get beneath the surface of things; we must study life, not only in relation to its three great fears,—death, poverty, and public opinion, but as business men, we must drive down deep to fundamental, basic law. Only by so doing are we going to arrive at a positive, permanent, and peaceful solution of problems which belong to us, individually and collectively, in the railway supply business.

XVI.

COMPANY ANNUAL DINNERS.

The sales manager laughed good-naturedly as I came in to luncheon last week, and greeted me with "Well, you thought you were kind of hitting at me a little in what you had to say in last week's *Autocrat*. I can't say that I am particularly interested in your essay, as I think you had better confine yourself to telling what goes on at this lunch table, and not get to wandering around where you are liable to get lost. However," he added, "I am rather inclined to agree with what you had to say.

"While you were home sick, I had the very enjoyable privilege of attending a couple of annual dinners given by two different business concerns for their officers, members of the organizations, and some of their friends, and I want to say that I not only had a first-rate time, but I think those two companies are doing a very wise thing. They are creating an *esprit de corps* in their organizations that is well worth the time and thought and energy that somebody must necessarily put into such a dinner."

"Would you suggest such a dinner for our company?" I asked.

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“Yes, if you think it is ‘fundamentally’ the correct and proper thing to do.”

“You haven’t gotten over what I had to say last week, have you?” I asked the sales manager. “You can make all the fun you want to about the word ‘fundamental,’ but it is a pretty good word to use in these days when there is so much that is superficial. You are rather dodging my question as to whether you think annual dinners would be good for our company. Possibly you don’t want to commit yourself until our president has had something to say.”

I looked at the president at this point, and he appeared to be interested, so I thought I would go on in regard to the annual dinner idea.

“I have attended annual dinners myself, a number of them, given by different business concerns,” and I turned to the president with the remark that I thought it would be well to try the thing once, suggesting to him whom we should invite, and went on to tell something about the last annual dinner of this character that I attended.

“A great deal of the success depends upon the toastmaster as well as on the care and thought which is given to working up such a dinner. I well remember attending what I consider an ideal annual dinner. The president of that particular company was most thorough in his preparations for the

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event. He believed that what was worth doing was worth doing well, and that a dinner of this kind meant something more than simply eating. I had a feeling as I looked up and down the big table that here was one business at least where there was a family feeling; that, while there might be disagreements during the year between various members of the family, as there are in most well regulated families, still, there was one time, and that at this annual dinner, when you could see that there was a strong family pride in the organization. This feeling was brought out during the dinner, and undoubtedly was taken away by the various individual members of the staff and carried by them through a good part of the year. It must have had its effect for good in the organization—an effect for loyalty and co-operation, and increased business success.

“There is just one thing, however, about a dinner of this kind that to my mind is all-important, and that is the personality of the toastmaster. You cannot hire a toastmaster. Oh, you can, of course, but I mean that you cannot do it if you are looking for the highest success at a time like this. The toastmaster must be the president of the company, and he must be in a manner born to that particular job, if you are to get out of it the greatest good and the greatest value. This particular dinner that I am speaking of had as its toastmaster the president of

the company, and he certainly was born to his job, if ever a man was. I don't mean by that statement that he was an orator, nor that he told good stories well, nor that he was witty—not any of these things, although he was all of them; but rather that his whole bearing bespoke a man born to leadership, sure of himself, not in an egotistical sense, but rather sure of where he stood because of years of experience and study. He evidently knew the men who were seated around that table, and knew them as an open book. He was like a master musician who makes a dead instrument speak living words as he plays upon it. This particular president would not have made a success as a professional toastmaster, but he made a success as toastmaster at that dinner, because he evidently made a success of whatever he undertook.

“I could not very well express all that I felt as we sat at the lunch table, but these things went flashing through my mind, and I felt that it would be a splendid thing for our own company if our president, in his quiet, masterful way, should preside over an annual dinner, where we might gather as members of one big family at the end of our fiscal year and talk things over. All I said to our president was: ‘I believe such a dinner could be made of great value to the success of our business. It would do no harm at least to try it.’

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“As we walked out together the president said: ‘Supposing you and the sales manager get together and see what sort of a program you would suggest, and as our fiscal year ends next month, we could have a company dinner in a modest way and see what comes of it.’ ”

XVII.

ON THE READING OF A GOOD BOOK.

The vice-president and myself were a little bit ahead of the rest of our business family at luncheon the other day, and I discussed with him a little book that I had been reading, entitled "Capital," by Mr. Geo. L. Walker, editor of the Boston Commercial. It is "a popular discussion of savings, profits, and the rights of property ownership from a new viewpoint," as the author puts it, and it certainly is mighty interesting reading. I told the vice-president I didn't know how to tell him about it without reading the book to him.

The vice-president is always very much interested in anything like this, and of course isn't so narrow-minded as to think that "capital" represents a danger for our civilization. I told him that the author intimated that the accumulation and use of capital has been responsible for the rise of civilization, and of course there is no question about this. The author goes on to show why the growth of capital should be given every encouragement, and how industrial progress is the product of individual savings; and then further how the growth and resultant competition of capital benefit labor.

"Why don't he call his book 'The People's Sav-

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ings?" "inquired the vice-president, as I discussed the matter with him.

"I think he had that in mind," I replied, "for in his Foreword he asks two questions about on this order. First:

"Should the person who denies himself the enjoyment of many luxuries in order that he may save a portion of his income be forced to share his savings with those who have not saved?" and second:

"Should the person who saves be permitted to invest his savings as he chooses and to make as large a profit as he can?"

"The reason I spoke as I did," said the vice-president, "is that if the book is what you describe, it ought not to be read by people who are capitalists, but rather by people who are, or think they are, opposed to capitalists."

"There is no question but what big profits for capital are of benefit to the entire community,—that is if such capital is not wasted or misused. The author deplores wasteful extravagance, such as evidenced by luxurious living, etc., or where capital is wasted when it is burned up or lost in shipwrecks, and he makes an especially good point where he says:

"It is not intended to decry pleasures or luxuries; but they should not be indulged in until they

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can be afforded. This applies to the nation and the whole world just as it does to the individual.

“The creation of luxuries and the enjoyment of pleasures represent consumption of food, materials, and time. To supply and make these available, the productive, transportation, and manufacturing industries must be kept in a thoroughly healthy and flourishing condition.’

“He also makes some mighty good suggestions under the heading: ‘The Danger of Converting too Much Capital into Fixed Wealth.’ ”

As I told the vice-president, there is no use trying to tell one man what another man has written, if you want to get the full value of it, and my advice was that he send for the booklet and read it. The price is only fifteen cents, the title is “Capital,” and it is published by the Dukelow & Walker Co., Boston, Mass.

The rest of our luncheon party came in just as I was giving this name and address, and one of them inquired what it was that we were making notes on, and of course I briefly repeated what I had to say.

The president turned to the vice-president and said: “Well, while you are writing for one booklet, suppose you get ten or twelve. I think I know where a little distribution of such matter as that is worth while, even to this company. Intelligent

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reading and discussion of such matters is not only important to business as a whole, but it is important to this one business institution. Modern business is different from all businesses in the past, due to the fact that we are speeding up as we never have done before, because of the power and machinery which we employ. The discovery of steam has not only revolutionized the business world, but it did the job in a tremendously big hurry, and it means that we must, as a matter of self-protection, educate the world in regard to business, and to do this properly, we must first educate ourselves."

The president hit it as he always does: "We must first educate ourselves."

XVIII.

BROADENING ACQUAINTANCE.

"I don't think I'm an aristocrat," said the president as he sat down at the lunch table last week, "but I do want to say that I am getting awfully tired of restaurants in general, and of this one in particular. Personally, and from a business viewpoint, I think that it would be very desirable to make some arrangements for having our luncheons somewhere but in a public eating place,—not because I believe that we are any better than the public, but I think that we will live longer, and be more prosperous, if we can find a quiet place where we can meet at noon to eat and talk over those things which concern us as a business family."

"Pretty long speech for the president," I remarked laughing.

"Wait until I'm through," he said. "Now, if there are no objections on the part of the members of this corporation, we will all of us put in our applications to one of the city clubs, and the company will pay the expense as being a good business investment. Now," said the president, "Mr. Autocrat and others, remarks are in order."

"Make the autocrat talk last," said the sales

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manager. "We can say everything that we think, and perhaps there will be nothing left for him to say, and in that way we can keep him quiet for once. I think the proposition is a fine idea. It would certainly be a good idea for me to take a customer of this company to a club to lunch rather than to a hotel or restaurant."

"The sales manager is right," chimed in the vice-president. "Moreover, it would be a great deal more enjoyable for us to meet at a club than here in a public place. I think the autocrat would be especially pleased, because it would give him an opportunity to propound his philosophy of life with less interruption."

Just then the orchestra struck up the loudest piece I ever heard them play, and I looked at our mechanical expert and grinned as I saw him writhe and squirm at the noise. It was supposed to be music, of course, but you really couldn't call it anything but noise.

"I haven't a word to say," he remarked, "regarding the idea. I couldn't be heard if I wanted to say anything."

Even the waiter didn't attempt to get our order until the din on the balcony in the corner of the dining-room had quieted down. When the racket had subsided, the president turned to me and said:

"Now we will hear from our autocrat."

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I said to the president that I thought his idea was a splendid one, for every reason that had been mentioned. I thought that beyond that, there was great value in what he proposed doing, not alone for the advantage that might accrue to us personally in having a pleasanter place in which to eat, and one where we could discuss more at length the problems which are ours in the business world, and where we could bring our customers, as the sales manager suggested; but there is something of importance beyond all this.

“We meet here,” I said, “and we keep by ourselves. Now, it is all right for us to have our own little dinner party, and we perhaps can learn from each other, but there is a big and broadening influence in coming in contact and becoming acquainted with the class of business men who frequent each noon any one of the clubs of standing here in the city. I think that it is along these lines where we shall get our big value. We shall broaden our acquaintance from day to day of business men who have the same, or very similar, problems to meet that we have. We shall get their advice and help because we will be mutually interested in things that are similar. We shall talk with them and discuss questions of the day, not in the same way that we might with a customer or prospective purchaser of our product. We shall

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have nothing to gain in the way of direct sale and profit from our other club members. For this reason, we shall get from them what will be of utmost value to us in the conduct of our business, and to just the degree that we can be of help to the other members of the club, to just that degree will we gain from them.

“I never did believe in joining a club in order to sell one or more club members something which we might be manufacturing. Possibly my feeling in this regard is due to the fact that I am so fully convinced that what we have is meritorious enough to stand alone, without being bolstered up in some way. Of course we may make acquaintances there that will lead to direct business for our concern, but I would not want to join a club which was made up of men who were members of that club simply for what they could get out of it in the way of sales. My idea of a club is an organization of successful, broad-gauged business men, who want to belong to an organization which, while it gives its members many conveniences in the way of a down-town or business home, yet stands for something, and that something is progress along some line. A club that is simply a luxury and an amusement, that stands for nothing, does not attract the men who are big in their ideas and broad in their

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outlook. Those are the men with whom we should come in contact.

“I have not said this for fear that the president will put us into the wrong club, as I have no doubt that he has selected just the right place for us;” and I named the club that I thought he had picked out, and I was right, which only goes to prove, in my estimation, that our president is generally wise in his judgments.

XIX.

READING.

"Where's the rest of the bunch?" said the sales manager, as he hit me on the back by way of a friendly salutation. I didn't notice him as he came in as I was reading a pamphlet containing a speech recently made by one of our leading bankers.

"What are you reading?" asked the sales manager.

I told him, and explained to him as briefly as I could what it was, and added that I thought it might be a good idea for him to read it after I got through with it.

"Not for me," he replied. "I've got enough to do talking to people without wasting my time reading what some banker said at some banquet. I think there is too much talking anyway, and too much time wasted in reading what other people have talked about."

"It might give you some ideas that you could work off in some of your selling talks," remarked the vice-president, who had just come in and caught the tail end of our conversation.

"Well, they won't let me tell half of what I know now," said the sales manager. "What's the use of learning any more?"

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“Well, in my humble opinion, as vice-president of this company and a citizen of our great commonwealth, I think if you would read a little more and keep track of what is going on, you might get some new ideas which our customers would be willing to listen to, simply from the fact that they are new, rather than to hear your old story worked over again. I think a sales manager ought to train himself so that he can talk interestingly without being dependent upon a note book of alleged funny stories. A good story is all right, and very often helps to break the ice, especially when it is told by a born salesman who is after some particular order, but so many of our stories are lugged in that sometimes they do more harm than good.”

“Don’t you think,” I asked, “that an analysis of story telling will show—”

“All right,” said the sales manager, “everybody get off the board walk now and give the autocrat a chance to tell how it really is. Not that he knows, but because he wants to do his usual amount of talking. If I were vice-president of this company, I would put the autocrat out selling, instead of keeping him tied up at home doing so much talking.”

The president came in about this time, and I saw that these remarks by the sales manager caused a smile to creep around the corners of his mouth,

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for it was only last month that the mechanical expert was sent out by the president to save an order that our sales manager had fallen down on. I knew that the sales manager didn't know very much about the circumstances; in fact, the whole affair was something between the mechanical expert and the president. Anyway, I had known of the matter, and it gave me a cue for something to say.

"If the sales manager is sufficiently interested in that roast duck, I will proceed with what I was going to say."

"Go ahead," said the sales manager. "The duck is tough enough to compel me to give the gentleman my undivided attention."

"Don't spend too much thought on him as I want you to hear what I am going to say. The situation is about like this: We are largely products of our environment."

"Oh, cut out that first chapter," said the sales manager, "and get started somewhere within a mile of earth."

"That's just what I am going to refuse to do," I replied, "and I repeat that we are products of our environment. Now, what is our environment? It isn't the postoffice, nor the drug store, nor the house next door, nor the farming property that is around the city. Our real environment is in the

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people we meet and in what we read. Our environment is our viewpoint. If we do not read, our viewpoint is not very high up, and we do not get a chance to take a good, broad look at things. I don't believe in a man spending all his time reading, but I consider it one of the important things for any man to do, no matter what his line of business or occupation may be. There was a time when the art of reading was confined to the clergyman, or the lawyer, or the man who did not have to work for a living.

“Wasn't it Macaulay who, in referring to modern transportation systems, spoke of them as being great, after he had referred to the alphabet and to the printing press as being the things of greatest benefit to mankind? The fact of the matter is that we grow in just the degree that we mingle with the fellow men of our own time; hence the greatness of railroading. But the alphabet and the printing press have made it possible for us to rub elbows with all men of all times. That is why reading is of such vast importance.

“Now just a few words to you, Mr. Sales Manager. You think that if you pick up information in regard to a ball game, the stock market, and a few other things that you get from the daily newspapers, you are reading, when as a matter of fact, you have not started. I won't even mention the

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reading that a man ought to do simply to broaden himself in a general way, but reading that he ought to do (I am talking to you, Mr. Sales Manager, so listen), as regards business in general, and our own line of business in particular. There is a vast amount of information these days with which every salesman should acquaint himself in order that he may understand and appreciate all the problems that his customer must meet. Having thoroughly posted himself along these lines, and being in a position where he knows what he is talking about, he does not need to go to a prospective customer and tell him a funny story to get his attention. All he has to do is to sit down and talk intelligently with that customer concerning his own problems, and show that he is so well informed that he can be of decided help to the man who may buy from him. In other words, he can impress the possible purchaser with the fact that he not only is going to sell him something, but that he can render him a tremendous service in addition, simply because he knows his business.

“As a matter of fact, this is why our mechanical expert was able to fix up a sale where the sales manager fell down—because if there is one man in the railway supply business who knows what he is talking about, it is the mechanical expert of our

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company, and he keeps himself posted. Naturally, to do this, he must read.”

“You put forth a few fairly good ideas,” said the president, “but how is any one man going to read everything that is published these days.”

“Well, we ought to have some one here in our company to do nothing but read,” I replied.

“Yes, that requires intelligence,” said the president.

“Don’t give the job to the autocrat,” broke in the sales manager.

“I think I will give the autocrat the job of finding someone to do the reading, and I will undertake the job of seeing to it that the sales manager reads the good things that are passed along for his attention, and I am not going to spend very much time either in seeing that the sales manager does the reading that he should do.”

Then the president turned to the waiter and ordered mince pie, and I felt very sure that our worthy president had meant what he had said, because when he gets desperately in earnest about something, he almost always orders mince pie, and tells the waiter to bring it hot. Of course, everybody knows that no one orders hot mince pie unless he is desperately in earnest, or at least desperate.

XX.

LETTER VS. TELEPHONE.

The sales manager was very late to lunch; we were half through when he came in.

"I've been trying for two hours to get the purchasing agent of the ————— Railway on the 'phone,"

"Something that wouldn't wait?" I inquired.

"Yes, it would wait all right, as there is no special hurry, but I had it on my mind and wanted to give him some figures, and then I wanted to explain them."

"Did you say 'explain' them, or 'apologize for' them?"

"Now what are you leading up to? Do you know that you are making a nuisance of yourself at these luncheons with your overlasting questions and your long dissertations? What is the matter with you, anyway? Are you trying to line up with Socrates or some other old fellow like that?"

Now, what the sales manager doesn't know about Socrates would fill a page in his expense account book, and he has some pretty large pages—necessarily so. However, I didn't let the sales manager disturb me, but insisted on my question being answered as to whether he explained the fig-

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ures or apologized for them. You know there is a big difference.

“I think I see what our autocrat is driving at,” said the vice-president, “and it is one worthy of our discussion.”

“Are you fellows going to let me eat or not,” growled the sales manager. “You are nearly through with you luncheon, and evidently don’t care what happens to mine.”

“You could have answered the question by this time,” remarked the president, “and I am very much interested in hearing what your answer is to be.”

This looked like an order from the “big boss,” and the sales manager immediately replied that he did not apologize for the prices, but simply explained them.

“Then,” said I, “why couldn’t you have put the whole matter in a letter?”

“Because there are too many letters written now,” said the sales manager. “When it comes to writing a letter, you are certainly the longest drawn out performer that I ever saw. Instead of talking to me about certain things that we might just as well have discussed and gotten rid of, you sent me a two-page letter yesterday, and I found it on my desk this morning—going into more foolish things, and I am simply not going to answer it, that’s all.”

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"All right," I replied, "but if I had attempted to tell you that to you over the 'phone, it would have been a long conversation, and I would not have been sure that you had gotten the figures straight at your end of the line, and you would had to have held the wire while I referred to some of our records to be sure that I got my end of it straight. It seemed to me that it would be a good deal better to get the whole subject in writing, so that you could go over it carefully and there would be no chance for an error. You know it is regarding that last lot of cars bought by the X. Y. Z. Ry. and I wanted to be sure that they got exact and accurate information."

"Well, I would not be guilty of writing a letter like that to any railroad. They would think that I was sending them a pocket encyclopedia. It shows how little you know about railroad men if you think that they have nothing to do but read letters. I tell you what a railroad man wants is a letter about three lines long."

"Well, I am not in favor of unnecessarily long letters," I said, "but why isn't it a pretty good proposition, even if the letters are long, to give a man information in written form, which will reach him in his morning's mail—at the time which he has set aside for just such things? Now, after wasting two hours of your time, you got this purchas-

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ing agent on the telephone and gave him the information; he could not carry it in his head and therefore had to make some notes on it. There were two men in his office when you got him on the 'phone; you interrupted his train of thought; you wasted the time of two men who were not interested in what you had to say; you gave your information in a way that was likely to be misunderstood, and there was therefore a chance for error. If you had gone to the purchasing agent's office, he would not have let you in at that time, but by the use of the telephone, you broke into his private office and no doubt bothered him.

“Then here's another point, and this is why I asked you the question as to whether you explained the figures or apologized for them. Calling a man up on the 'phone about a simple thing that you could put in a letter looks as though you had some reason to doubt his accepting what you had to say as being absolutely correct. It looks as if you were trying to put something over on him.”

“Would you advise our writing more letters?” interrupted the vice-president.

“I will answer your question with a qualified yes,” I replied. “I think that we should put everything that we can into a letter, be the letter long or short. A letter is a positive record of our proposition. There is no chance for a mis-

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understanding, and, granted that it is properly filed, it can be referred to whenever it is necessary, and it helps to make a complete record upon any dealing which we may have with the company or man with whom we are corresponding. I do not think that letters of this kind become burdensome. In fact, I think if a man would adjust himself to even very lengthy correspondence, he would find that he could save a large amount of time. Now, here's our sales manager; he arrives late to lunch all disgruntled and disagreeable——”

“Thank you,” said the sales manager.

“He has wasted his time, which was company time; that means wasting money,—this simply from our side of the fence. Later on the purchasing agent may come back and say: ‘Why your sales manager told me thus and so over the ’phone.’ Perhaps the sales manager did and perhaps he did not. At any rate, we are in an argument with the purchasing agent, and we would not have been if he had written him a letter.”

“Well,” remarked the president, “our sales manager can confirm his telephone conversation.”

“Yes, but why have an unnecessary telephone conversation, plus the expenditure of time in confirming it? Now, if the purchasing agent had been in a hurry for these figures, it would have been another proposition entirely, but, as I un-

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derstand it, it is in regard to those two hundred cars which they are not going to place until some time next month, and the purchasing agent was in no hurry—simply gathering his data. I believe we could, as railway supply business men, save thousands of dollars each year by making fewer calls—having fewer telephone conversations and in their place, writing more letters.”

“Oh yes,” said the sales manager, “you sit in an office and think that you can sell our equipment by mental telepathy or some other fool thing. I want to tell you that you have got to get out and very nearly talk a railroad man to death if you are going to get an order out of him. If we tried some of your schemes, our competitors would get away with all the business. You bet they are not writing a lot of letters. They are ‘Johnny on the spot’ and hammering the desk to prove that what they have is the thing to buy. You have got to have pretty nearly the best thing in existence if you think you can just go into a railroad office and show it and then write a letter about it.”

“I think the autocrat has made a good suggestion,” said the president. “There are some of our appliances so vastly superior to anything else that we could afford to give the information which is needed in regard to them in a letter, rather than

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to spend so much time talking to railroad men about them."

The sales manager is generally pretty careful in regard to what he says to the president, but the telephone evidently had made him somewhat excited, and he said to the president:

"I suppose the next thing that you will do will be to think that the autocrat is right when he suggests that we can sell railway equipment without salesmen."

The president did not say very much, but he looked an awful lot. I felt fairly comfortable, and the sales manager looked fairly uncomfortable,—so I'm satisfied.

XXI.

SALESMANSHIP.

The president got after me the same afternoon, after we had our luncheon where the sales manager and myself locked horns, and very kindly but firmly gave me some of his views.

"I think you are right in the main," he said, in the course of his talk, which was an unusually long one for him, "but I do not want you to get after the sales manager quite so hard. Frankly, he is not an ideal man; he is a good deal lacking in the broader conception of what a sales manager should be. I feel that he ought to give more time to a careful analysis of what our equipment is, and the use for which it is intended in railroad service, but I doubt if he is ever going to be able to go into those things in the way that I would like to see him. Still, he has his good points, and as a salesman, he is a very strong man."

"In what way is he strong?" I went at the president rather bluntly.

"Now this is a matter that I do not think I care to discuss," said the president, with an air of finality.

The natural thing to have done would have been for me to shut up. I am working for that com-

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pany, drawing my salary from them, and the president is the boss. It is up to me to take orders, and do as I am told. Now, our president has some of the military in him, and he thinks an under officer or private should have some of that feeling, "their's not to question why; their's but to do and die." But I have not any of that in me, and I am full of argument, and as the sales manager puts it, meaningless talk. So, when the president terminated the interview in regard to the sales manager I refused to be terminated, or exterminated, either. Now, the sales manager and myself are fairly good friends, and I am not after his job, nor do I want him to lose his job. However, I believe that in our line of business there are certain things that we ought to do, and when once I have a conviction on any one point I am going to insist on telling about my side of it. So, when our president shifted in his chair and prepared to go on and talk about something else (this was all in his private office with the door closed, so I had a good chance to talk without being interrupted), I said to him:

"Do you remember the order that we nearly lost on the A. B. C. Railroad?"

"Yes—you mean that five thousand car order?"

"That's the one," I replied. "Well, what was the situation there?" I asked. "Our sales man-

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ager saw three different men on that road, gave them all a good sales talk, but not a single one of those men could understand just what could be done with that new specialty that we had, and for the reason that the sales manager himself didn't understand or appreciate its good qualities. You know that if we had not been a concern of long standing and splendid reputation we would have lost out there entirely; and, as it was, if our mechanical expert had not happened to meet one of those railroad men on the street we would never have had that order. It was our mechanical expert who got it, and our sales manager lost it.”

“Why do you bring that up?” asked the president.

“Simply because you brought up the question of the sales manager and the way in which he handles things.”

“I said that we were through discussing that, didn't I?”

“You said that *you* were,” I replied.

He looked at me for a minute, as much as to say: “If I am through that settles it, doesn't it?” But our president is too big a man to become nettled at my stubbornness; then, too, possibly he has become accustomed to it from long years of putting up with it. At any rate, I told the presi-

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dent just how I felt about things, and that was about as follows:

"A business needs to be pruned for the good of its growth and development, in about the same way that you need to prune a tree. Even some of the bigger limbs on trees sometimes have to be lopped off, and I think the same thing is true in business. Now, our sales manager is a typical modern salesman. He keeps on good terms with all the railroad officials—knows them all—gets into their offices, and spends plenty of time on each order, but to my notion, he has not waked up to the fact that the railway supply business is changing—that today you have to go to the railroad man with the goods and not with an explanation. Railroad companies have to watch the expenditure of every penny, and they want to be definitely shown just what they are going to receive for the expenditure which they make. They want to know for the immediate present and for the remote future. Now, our sales manager is lacking in appreciation of the problems confronting a railroad man. He is not technical enough to grasp the finer good points of our appliances, and it is only by the supplementary work done by some of the others that we get part of the orders to which we are entitled. I have an idea that we have come to a point now where the kind of a man to send out is not so much one gifted with the

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instincts of a salesman, but one who has the ability to clearly and concisely convey to the proper railway officials just exactly what we have for sale, and no more and no less.”

I told the president all that I had in mind, and he listened very carefully.

“Now, we are not going to continue this argument,” said the president. “I appreciate the enthusiasm and loyalty which I always feel sure of in you, but I want to ask you just one question: How would you have handled the order for the X. & Y. Ry.?”

I saw in a minute what our president had in mind. There was a railroad man who bought from his friends. He is a jolly good fellow, and being that, he bought from other jolly good fellows, and I knew very well that our company never could have sold him that order except through our sales manager, and I knew also that our sales manager didn't spend fifteen seconds on the value of our equipment. He just went into that railroad man's office and told him three or four funny stories, and they had a grand Ha! Ha! and hit each other on the back, and the railroad man said: “That's all right, Bill, your company is the biggest in the business, and I guess I won't go far astray if we specify you on this order,” and they did. However, such railroad men are getting to be the exception, and not the rule.

XXII.

ABOUT EXHIBITING.

We all lunched at the club for the first time last week, and it would have done your heart good to see the smile of satisfaction upon the face of the mechanical expert as he realized that our days of talking against tin-pan music were over. The president said he would sign the first ticket; after that we could all sign our own tickets. I noticed the vice-president looking at the menu card very carefully; then he began talking to the waiter in an undertone.

"Now don't pay any attention to what he tells you," I said to the waiter. "We have joined this club for various reasons, the most important being that we want to break the vice-president of the club sandwich habit, and you just inform him that this club doesn't serve club sandwiches except at breakfast. The vice-president would never get up early enough in the morning to get down to the club for breakfast, and if he did, he would be alone and welcome to his club sandwich."

We were all there that first day,—the president, vice-president, sales manager, treasurer, shop superintendent, mechanical expert, and the "autocrat." I do not think I ever mentioned our treasurer

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before, but if there ever was a man who was the salt of the earth, then it is our treasurer. He is very quiet, but exceedingly well informed; he hasn't much to say, but what he does say is worth listening to. He is the one man in the company to whom we all go with our troubles and perplexities, and he always has just the right word at the right time. You know we always look upon most treasurers of big corporations as being "tight-wads," but our treasurer isn't. He never pinches pennies, and never criticises the expense account; he never says that he thinks we are spending money unwisely; you never hear him complain that collections are bad. In short, he is the most optimistic man of the company, and if that is not something unusual for a treasurer, I don't know what is.

We talked about a little of everything that first day at the club. The sales manager was especially delighted because he saw three of his customers in the dining room, and we had to hang on to him to keep him from going over and buying their lunches.

"Don't you understand," I asked, "that these men come to this club simply so that they can have the privilege of buying their own lunches? Never pay for a customer's lunch at a club of which both you and he are members."

"I guess the autocrat is right," said the president.

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"It would be fine if the fellow who buys from you would offer to pay for your lunch," said the shop superintendent.

"Well, some of them do," remarked the mechanical expert, "and you can deduce two different things from a man's doing it. One is: If he pays for your lunch, he has the feeling that he will never buy anything from you. The other is: He feels so sure that he will never buy from anybody but you that he does it for that reason."

"Is it going to be worth while exhibiting this year?" asked the vice-president when we were half way through luncheon.

This started quite an argument as to the value of our having an exhibit. Strange to say, the sales manager had no remarks to make. Exhibiting is something that really belongs to his department and he should have been the man to talk. Perhaps that is just the reason why he listened.

"Do you know," I said, addressing my remarks to the president, "that our advertising has always been a big problem, and I think that the opportunity to exhibit at a railroad convention is really one kind of advertising that we hardly can afford to be without? We have the opportunity of meeting a great many railroad officials, and at a comparatively small expense. We can come to a better understanding in regard to many little things that

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need to be ironed out occasionally, and there is a good chance for making new acquaintances and explaining to them what we have and what we are exhibiting.”

“I am not so sure about it as I used to be,” said the president, who waited until he thought I was through. “Twenty years ago, exhibiting at these annual railroad conventions was a fine thing for this company, but the number of these exhibits held in connection with conventions has been multiplying each year, until it is becoming a good deal of a burden to be represented at all of them. Have you any idea,” he asked the treasurer, “what was the total cost of our least expensive single exhibit last year?”

“It was around eighteen hundred dollars,” replied the treasurer.

“Did that include the charge for the time which was spent by the representatives of the company?”

“No, that was not included.”

“How much do you think that would amount to?”

“Well, not very much more,—six or seven hundred dollars.”

“About twenty-five hundred dollars then,” said the president, “it cost this company at one of our smallest conventions. I have no idea what all the convention exhibiting during the year is costing us,

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but I imagine it is a good deal of money. Now, we will agree with what the autocrat has had to say as to the theoretical value of exhibiting; but practically, it is getting down to about this point: We are spending a good many thousands of dollars, plus the time that we give. This time has to be taken away from other things, which are generally of importance. I am beginning to wonder if the trade exhibition idea is not being overdone."

"They had fine automobile shows at New York and Chicago," said the shop superintendent. "It seems to pay those people."

"Well, possibly it may pay, and I don't doubt but what it does pay in the automobile trade," said the president, "but the railway supply business and the automobile business are two entirely separate and distinct businesses, and what may be a good thing for one may not work out to advantage for the other. The automobile business is new; the railway supply business is getting to be an old business. A great deal of that which we sell has become standard—well known—and thoroughly appreciated. We do show a few things during the year, but whether they really amount to enough to warrant the tremendous expenditure or not is a grave question. Were we a new concern, and had something that was new, radically new, I would look at the matter in an entirely different way.

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I think that a new railway supply and equipment company, that has something entirely new and different to sell, can to advantage exhibit for a year or so at conventions which are attended by railroad men who are interested in that particular line of appliances, but I question if the old, standard concerns are getting very much out of it.”

“Why do we exhibit then?” I asked.

“We are exhibiting because the other fellow does,” broke in the mechanical expert, and as usual he hit the nail on the head,—at least I think so, and I believe the president rather looked at it in that way himself, for he turned to the treasurer and said to him:

“I wish that you would bring over to our next luncheon a complete statement as to what it costs us for each exhibit at each convention which we attend, keeping separate the various items of expense from the amount expended in the way of salaries based on the time spent at the convention by the various members of this company. Then,” said he, turning to the rest of us, “I want each one of you to come here with a carefully prepared list of orders which were directly or indirectly influenced by our exhibits at any of these conventions. See if we can learn definitely just what we have been getting out of exhibiting during the last year.”

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"Why have an exhibit every year?" asked the mechanical expert.

"That will be a good question for us to answer when we get all the data on our exhibiting, and we can discuss it at some future luncheon," replied the president to this question.

XXIII.

DUTY OF BUSINESS MEN.

"Where is that genial and kindly soul, the honorable V. P.?" sang out the sales manager as he walked over to our table.

"He is attending a noon luncheon of the honorable commercial body of our town, which I think is discussing today something as to the duties of a business man." This explanation from the mechanical expert.

I think he would not have said it if the president had been there. The sales manager is apt to be less flippant when the head of the business is on hand.

"I am sorry," said the sales manager, "to have him absent, because I like to see him study the menu card carefully, and then fill up one line of the ticket in his beautiful handwriting calling for a club sandwich. Further than that, I am sorry to have him wasting his time in talking about the duties of a business man. A business man has got just one duty, and he ought to pay strict attention to that."

"What is that duty?" asked the shop superintendent, all innocently, as if the sales manager had any idea what duty was anyway.

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"Why, a business man's duty," said the sales manager, "is to buy at the lowest possible price and sell for the highest, and cut out politics and all this foolishness, and attend to his own living—keeping enough of a bank balance so that if he wants anything he can go and buy it. If a man has the good round dollars he can buy almost anything he wants. A man can buy anything with money."

I had been waiting for an opportune time to cut into the sales manager's conversation without seeming rude, but when he made that remark I had to break in without any regard as to whether he was through or not. The idea that man can buy anything for money,—the most monumental lie that was ever invented.

The president came in and sat down just as I was making my statement in regard to the monumental lie, and that was all he caught.

"Steady there, autocrat," he said. "Aren't you getting just a little bit excited?"

"Possibly I am, but I would be a whole lot more excited if I had said 'liar.' So far, I have been impersonal in my remarks."

"What's caused all the excitement?" he queried.

"The sales manager said that a man can buy anything with money."

"Well, he can buy a good many things," mused the president.

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“Yes, but he can’t buy everything,” I reiterated, “nor anywhere near it. In the final analysis, human beings are looking for happiness in this world. I do not say that they all look for it in the same way, but they are all looking for it, and there is not one in a hundred who is getting real happiness by buying it.”

“How did you happen to get on this subject?” inquired the president, after he had ordered his lunch, and was ready to take part in the conversation, or listen, as is his wont.

“Well, it is just this way,” said the sales manager. “The vice-president has gone to a commercial organization luncheon to discuss the duty of the individual business man to business as a whole, and I contend that it is a waste of time, and that it is only foolishness for a business man to be worrying about anything like that,—a lot of this talk about business men going into politics and reforming the government, and a few of such things. All nonsense. Then I made the statement that a man could buy anything he wanted with money, and the autocrat said that that was a monumental lie. That’s about where we are, isn’t it?” he said, turning to me.

“Just about,” I admitted.

Then the president made about as long a speech as I ever heard him make, and when he got through

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the sales manager didn't have anything to say. In fact, he appeared to be looking for a hole into which he might crawl and pull the hole in after him. It made me think of a story I heard when a boy, about the meanest man in town, who got caught in a very heavy rain storm on the way home one day. This was out in the country evidently. He crawled into a hollow log to keep dry during the down-pour, and the wooden log swelled from the water, so that he got caught in there and thought he was going to be squeezed to death, I guess. Anyway, he began to think over his past and realized what a mean man he had been. Then he remembered something he had said to his wife that morning that was particularly mean and contemptible, and it made him feel so small that he slipped right out of the log and went home.

What I started to tell about was what the president said. I wish I could tell it all as he said it. He began way back by saying that primitive man had lived alone, by himself, and he only grew out of his savage state because he began to be a social creature, mingling with other men, and it was the grouping of men that had given rise to civilization, and that one man owed a duty to another man and to his country. In fact, it has been the history of the world that a man's first duty is to his country.

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Then he went on to show how it was the duty of every business man, if business in general was attacked, to give of his time and his money in warding off these attacks on business in general,—just as much reason, he said, for a business man being patriotic to business as for a citizen of a country to have patriotism enough to help defend his country against attack.

“Not only that,” he said, “but we have another duty outside of protecting business, so far as we who are business men are concerned. He referred especially in this to the owners of business.

“A hundred years ago the percentage of men in business was very small. Men, women, and children,—everybody, gained a livelihood by working on the farm. The percentage of people who lived in any other way was very small. But today, the great majority are dependent upon business for their bread and butter, and when business, individually and collectively, suffers, the employees of business suffer, and they suffer much more than the owners, because the owners have some capital to fall back upon, whereas the employee is dependent upon his wage.”

Then the president went on and eulogized the vice-president for his broad outlook on things, and his generosity in giving of his time and thought and energy for the benefit of business as a whole

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and for those dependent upon it. He hit the table pretty hard when he said:

"It is nothing more nor less than selfishness on the part of business men if they are interested only in their own little business. Our vice-president is a man who has not a selfish hair on his head, and he is constantly at work in a way that will be of benefit and greatest good for the largest number. If we had more business men of his character and caliber, our country as a whole would be a great deal better off."

Our president looks pretty deeply into things,—a whole lot deeper than you would give him credit for, simply because he does so much listening, but I rather think that he, in common with a whole lot of other big business men, are realizing that things are not in an altogether satisfactory condition. We have had a business depression now, long existing, and the uncertainty as to the future has become very acute and very widespread. Now, the prosperity, welfare, and consequent happiness of all the people are directly dependent upon business and business conditions. The average business man throughout the country has heretofore been indifferent to and inactive in matters of legislative and administrative action affecting his interests, and of course his interests are everybody's business. I am wondering if there is not going to

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be an awakening on the part of business men to the potent influence which all organizations of business men, large and small, might have. Certainly business, which history has shown to be essential not only to our daily existence, but to the development and maintenance of our higher civilization, should be fostered and encouraged.

Probably the sales manager has become exceedingly tired when he gets this far, and perhaps I had better stop, but it certainly looks as if we ought to do something.

XXIV.

ABOUT SALARIES.

The president and I lunched alone the other day. The treasurer said he was busy and would just run across the street to the lunch counter; the shop superintendent made the same excuse. The vice-president, the sales manager, and the mechanical expert were all out of town. As a matter of fact, business is getting better, though a lot of people don't want to admit it. However, I wasn't going to talk about business conditions, as I wanted to tell of the conversation that I had with the president.

He takes up some things with me that he doesn't discuss with the other members of the company, and perhaps he does this, because I am the "autocrat," so termed by the rest of our business family.

I have no objections to giving some information about the little business family group that lunches together whenever they can. Our plant is located in a suburb of one of our large manufacturing centers. We build and sell railway equipment;—no, I would rather not tell you just what. Our general office is out at the plant, and our sales office is in the city. No one at the plant has a desk at the city office except myself, as I am in and out

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a great deal for our president. With this information the reader will have to be content, except I will say this: I am not making up a lot of yarns out of whole cloth, but am telling of our noon-day conversations just about as they really occur. We do not always meet at the club. In fact, when the whole family is together we generally have lunch in our own dining room at the plant. Not all of my statements are exactly true, as, for instance, what I am saying this week in regard to the treasurer eating lunch across the street. The truth is—there isn't any lunch room across the street, and he wouldn't eat there if there were one, because, as I said, we have our own dining room. With this much explanation, I want to tell you what the president had up with me, and it may be something that interests every railway supply concern, and I will be careful to give you a truthful report of our conversation.

One of the foremen in the shop is named “Fred.” I won't tell his full name. He has been with us about eight years,—a mighty good chap. He handles everything right up to the queen's taste. I would like to digress for a moment and speculate as to how this expression “the queen's taste” originated, and if I thought the sales manager were going to be at home to read this, I would do it, because I know how disgusted he would be. At

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any rate, the president said that our shop superintendent had said that Fred had come to him for a raise in salary.

"Now," said the president, "what am I going to do about it? You know that we have had any number of applications here lately for salary advances. Some of them have been granted and some of them have not. What are we going to do about it? It seems as if there ought to be some way of determining what a man's salary should be,—some regular way of arranging for it. What are your ideas?" he asked.

I hesitated for a moment,—not very long because the president likes to have a quick answer, and went back at him with this question:

"Do you think that the method pursued in our army in regard to the pay of officers, privates, etc., is the correct one?"

The president looked at me hard for a moment, and then said:

"I catch your point, and it is a mighty good one. What you are after is raising a man's position and not his salary."

"That's it exactly," I said. "Some of our universities never pay a man a salary. It is the position that is paid the salary. A man may be promoted from one position to another, but his salary is not raised. I suppose this is done on the theory

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that the university, with its income, can afford to spend just so much money upon its teaching force, and if they have a teacher who has unusual ability and worth, they promote him to a higher professorship, which carries with it, of course, a larger salary. This is following somewhat the idea in the army, where the private is paid so much, a non-commissioned officer so much more, and certain stipends for the regular officers according to their grade.”

“Well, just give me an outline of how you think we could handle that in our own company. I see possibilities in it,” said the president.

“Now your own salary is decided upon by the Board of Directors,” I replied. “They know just how much money this company is making, and they say: ‘Not that you are worth just so much money a year to this company,’ but they do say, in effect, that this company can afford to pay so many thousands of dollars a year for a president. It is my recollection that your salary has not been changed for a number of years. Really, we have established a precedent in this matter of paying so much money to the position rather than to the individual. After the directors have decided this, they elect a man as president of the company whom they think is competent enough to direct its affairs.

“Now, perhaps I came next, being the autocrat.

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Why should not my position be worth just so much money to this company?"

"Well, that is where I am afraid you are going to fall down on your theory," said the president. "I can see where it might apply to some of the other men in the business, but your relation to this company is quite different. Your position really changes according to the individual who occupies it. When you first took up your present duties, you were really my chief clerk, handling many details for me, but assuming very little responsibility. Today there is no man in the company who has any larger responsibilities, outside of myself, than you have. If I had taken that trip around the world which I had planned on when the war in Europe broke out, you would have been shouldering all the responsibility," said the president, "so you see it would be a pretty hard matter to define or limit your salary by your position."

"Well," I replied, "the vice-president legally assumes your responsibilities when you are away, and that is one of his official duties in a corporation."

"Legally, you are right, but practically, no. Our vice-president has his duties very clearly defined, and possibly the correct title for him would be general manager."

"Well, then, do you think that you could limit

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the vice-president's salary, or make it a fixed amount?"

"Yes, I think I could," said the president. "The position of vice-president and general manager of this company is really worth just about so much money."

"Wouldn't you pay our vice-president more under any circumstances?"

"Yes, I would if the business became much larger, and the board of directors decided that the position of president called for a larger salary, but not otherwise."

"Well, what would we do with our mechanical expert?" I asked.

"There is another case that in some ways is as hard as yours," said the president. "As a matter of fact, our mechanical expert is worth more money to us than we are paying him. Really, our company is getting to be quite a large institution, and I have been thinking seriously of dividing the vice-president's duties and making two vice-presidents, in which case I think the mechanical expert, rather than the sales manager, would fit into the new position. I believe that answers the question that I have had in mind for some time. You make a note to arrange for a position of second vice-president at the same salary as the vice-president's, and notify the mechanical expert that he has been promoted."

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"Well, what can we do about the position of sales manager? Is that position under all circumstances worth just five thousand dollars a year, or should it be made six or four, or should it depend upon the individual?"

"I think the sales manager's salary should stand," said the president. "I think that it is all the position is worth."

"Well, but supposing we could get a sales manager who could develop a larger percentage of business for us, what then? We might have to pay more to get a real, first class salesman."

"No, I do not think we would," said the president. "I have been talking with (and he mentioned the names of several men who are presidents of other railway supply companies), and I find that none of them are paying their sales managers any more than are we."

"What we had in mind," I reminded the president, "was the question of the foreman by the name of Fred."

"Yes, and I have not forgotten him, and I think that our superintendent needs an assistant, and I think I know about what that position ought to be worth. It means, however, more than doubling Fred's salary to pay him what the position is worth. Now, do you think that Fred is really a very valuable man?"

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I told the president some things that I had known of Fred's doing that were very complimentary to him, and the president said:

“Well, I am going to put into immediate effect this idea of paying so much to the position and not to the man, and you write the necessary letter to Fred and tell our shop superintendent of our actions.”

This was the result of our little confab at lunch time. I don't know how it is going to work out. Perhaps you cannot have a hard and fast rule on things like this, but I think there is some value in the idea, and for what value there is in it, I pass it on.

XXV.

SAFETY FIRST IN RAILWAY SUPPLIES.

"What do you think of the safety first movement?" asked the vice-president as he sat down to lunch at the Club the other day.

"I think the idea is fine, and if I were in your place, I would adopt it at once. It may save you from eating another club sandwich."

"Do you know," said the vice-president in all seriousness, "I think you work that club sandwich racket a little too far, and for the good of your own reputation as the writer of the lunch table Autocrat, you had better forget it."

The vice president doesn't get peeved very often, but I saw that he was just a little bit nettled by my remark. Anyway, he didn't order a club sandwich. I have an idea that a man is better off by having a little variety in his diet instead of always eating the same thing, and while I don't suppose that the vice-president has eaten enough club sandwiches in the last two years to affect him, still heretofore he has always been exceedingly good-natured, and I never before knew him to become peeved over a little thing. Now, doesn't it all go to show that possibly his disposition has

been slightly affected, and for the worse, by too liberal a consumption of club sandwiches?

This by way of explanation, and for the benefit of the few who take the time to read what is said in these columns each week, we will drop the subject of club sandwiches. I didn't say anything on this order at the lunch table. It is just what I was thinking about as I wrote out the discussion that same afternoon.

Replying to the vice-president's question, I said that I thought safety first was a splendid slogan, and more so because it was such an all-inclusive term. It demands so much of railway owners, railway officers, and railway employees—the highest motives, the greatest care, and the most conscientious service.

“Then too,” I added, “I think that the term includes those of us in the railway supply business. There is such a thing as safety first equipment.”

“Just what do you mean by that?” asked the mechanical expert, now the junior vice-president.

“Well, I mean equipment that is going to do what we say it is going to do.

“Oh, you don't mean then anything that could be connected with signaling, or air brake, or brake beams?”

“No, not necessarily, though it might be. What I have in mind is this: You sell a man a casting.

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It should be a dependable casting, simply another word for a safety first casting. We are selling railroad supplies, and almost everything that is used in the way of railway equipment must be dependable equipment—in other words, safety first equipment.”

“I think there is a whole lot more to this idea of safety first,” said the vice-president, “than simply having a man at a crossing stay awake, or an engineer to keep from going to sleep.”

“Then relaxation is opposed to safety first?”

“Yes, relaxation on duty would be,” replied the vice-president.

“Well, perhaps I might term it carelessness then,” I said, “for if there is anything that is diametrically opposed to the whole idea of a safety first movement, it is embodied in the one word ‘carelessness.’ It is with the idea of eradicating everything which would naturally come under that heading that the safety first movement was originated and promulgated.

“In such a field as that of modern transportation, the opportunities are so vast and so seemingly boundless for possibilities of carelessness in every and any direction, that the field of safety first seems to be an ever broadening one. The methods used by those who are applying safety first to rail-roading seem to embody the correct principle in

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that it is a campaign of education, a continual calling attention to causes and results. Many movements somewhat similar operate successfully for months or years and then outlive their usefulness.

“The safety first movement, however, is different, as only when human beings arrive at perfection can there be no further field for safety first. Carelessness offers ever a challenge to safety first, and safety first must stand on guard as untiring and unceasing in its work as that which is opposing it. Not only do the big things count, but the little things also.

“It is just as much a part of safety first to properly equip the car or locomotive that goes into service as to properly operate that car or locomotive in the train. Improper equipment, or carelessness in the manufacture of it, may be, in fact is, a menace to both property and human life.

“A brake beam may fulfill all the ideals involved in safety first, and may be carelessly applied. The best brake beam may be improperly hung. Such things have been known to occur. It is simply an illustration of that kind of carelessness which is opposed to safety first.

“They shoot a sentinel for sleeping at his post, in other words for carelessness—for the reason that human lives depend upon his care.”

“That’s a pretty good exposition of safety first,”

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said the sales manager. "Greatly to my surprise, you have said something while you were talking. I think that safety first is a very all-inclusive term. It guarantees; it has in it an idea of loyalty; then the following of it establishes confidence; it becomes a custom, and custom holds men pretty well in line. If it is customary to do a thing, a man gets to do it without thinking."

"The term stands opposed to the chance taker," I said, "and there are chance takers beside the men who actually operate the railroads. The chance taker is also the man who buys, and buys knowingly, defective tools or defective equipment—a direct violation of safety first principles."

"I think we could very well give a little thought to safety first," said the senior vice-president, "and see to it that not only what we manufacture is all that it should be, but, having manufactured anything, we should see to it that it is bought and used for the purpose for which it is intended."

"Well, how are you going to do that?" asked the sales manager. "There are a lot of railroad men, who, knowing we make such good stuff, will use some of our appliances for heavier service than that for which they are built. They are just taking chances on our equipment being a little bit better than what we say it is. I don't see how we are going to prevent it. We have done all that we

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could do, safety first or anything else, if we manufacture with care and integrity.”

“It is a pretty fine question,” said the vice-president, “but I believe that simply from a business standpoint, it would be well for us to be very insistent upon having our appliances used strictly for the purposes for which they are manufactured. Of course this should be done in justice to us, but there is more than simply this company’s welfare to be considered. There is protection to human life, and the wrong use of a right appliance in railroad service may, in fact does, jeopardize human life, and is directly contrary to the principle of safety first, which the railroads are pusing with such vigor.”

As we walked away from the lunch table, I said to the senior vice-president:

“Don’t you know that the way of the reformer is hard?”

“Yes,” he said, “I do, and I give up reforming every once in a while, and then I get to thinking about things and go at it again.”

As I thought about it afterwards, I suppose the way of the reformer is hard, but if we don’t have a few reformers, the way for the rest of the world would be a sight harder.

XXVI.

METHODS OF SALESMANSHIP

I had been out of town for a week or ten days, and even the sales manager seemed to welcome me back to the lunch table, when I arrived a little late yesterday.

"This has been rather a peaceful gathering for some days back," he remarked. "I have had no one to cross swords with, and I am frank to admit I rather missed you. Of course, after you get started again on some of your long-winded dissertations, I suppose I shall feel sorry that you are not off on another trip."

"What sort of a greeting are you giving the autocrat?" asked the senior vice-president. "Sort of a left-handed compliment, isn't it?"

"Do you call that a left-handed compliment, or a back-handed compliment?" inquired the shop superintendent.

"At any rate," said the sales manager, "the autocrat isn't such a bad fellow at heart. He talks too much, that's all. Occasionally he does say some things that are worth while and to the point. I don't know but what it would do him good to get out on the firing line once in a while and get up against railroad men, and see a little of the real

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thing. It takes a lot of theories out of a fellow.”

“I had a very interesting talk,” I said to the rest of the luncheon party, “with the vice-president and general manager of sales of a well known supply company. I met him on the train coming home. In lots of ways he is an ideal man for the position that he holds. He’s worked his way up from the ranks by sheer force of energy and innate ability. As I sat talking with him, I couldn’t help but think of Emerson’s phrase: ‘The world belongs to the energetic.’ He was telling me something about his selling methods and the manner of handling his men,—mighty good ideas, all of them. Strange, isn’t it, that the buffet smoker of a modern railway train is a great place for the exchange of confidences, and you really get to know a man better in a day’s trip than you would in a whole year meeting him casually? The corner grocery store used to be—I suppose it is now, for that matter—the meeting place for a discussion of everything. That was superseded, however, by the smoking compartment in the Pullman car, and as we have graduated from one luxury to another, the final evolution of the corner grocery debate is the heart to heart talk in the buffet smoker. I came to know that man more thoroughly,—know his personality, his character, than I had ever known it before. I want to tell you: dig down deep in a

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man—a successful man, and you find that he not only has business ability, but he is a man of character as well. Nine times out of ten, a man who succeeds has got something besides simple business ability.”

“Say,” said the sales manager, “get down to earth and tell us what he was doing to get business.”

I hated to read the sales manager a lecture just the minute I returned home, but what was I to do? I told him: “My dear fellow, don’t you understand that salesmanship isn’t learned from a set of instructions or a book of rules? It is a matter of character, native ability, training, persistence, everlasting hard work, and mixed up with it—good, common, ordinary horse sense. What that man told me was mighty suggestive. It might have some ideas for us. We cannot follow what he is doing. We can only learn from what he has done.

“He was telling me about a talk that he had with one of his salesman—a man who is somewhat inclined to argue. Now, this vice-president and general manager of sales, as I have said, came up from the ranks, and came up from the ranks in railroading, and he knows a certain department in railroading as you and I know our A-B-C’s. He just lived it for years. Now, in the supply business, he is selling to men who are in the same department in

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which he got his experience. If he doesn't know how to talk to those men, nobody does.

“Well, as I was saying, knowing the railroad men as well as this fellow does, he was giving some advice to one of his salesmen in regard to his sales methods. He told me that he had found that this particular man—an awfully good fellow, was somewhat prone to argue. Now, as he put it, it was not argument that should be used with a railroad man, but explanation, education, and simple telling of facts.”

“I tell you you've got to argue with some of these railroad men,” said the sales manager. “I don't believe this fellow told you anything of the sort. You are just trying to bolster up your own theory by bringing in this suppositious case.”

“I think I will have to rule that remark out of the evidence,” said the president quietly. “The autocrat generally tells the truth as he sees it, and I don't think he would sit here and deliberately falsify in order to gain a point in an argument with you.”

“Well, this fellow backed up what he had to say about arguing anyway. In connection with the demonstration of the appliance which he is selling, he is using a little testing machine which he carries around with him. He told me of setting it up in a railroad man's office just last week and showing

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him how to operate it. Then, when the testing machine is set up, he says to the railroad man: 'Here's my appliance. You can get the appliances of some of my competitors and just go to it. I have got some other people to see, and I will let you work this out to your own satisfaction.' He never argued in favor of what he had; all he did was simply to educate—to assist the railroad official in getting at the facts in the case."

"Well, I still contend," said the sales manager, "that that's taking pretty long chances. A man is a fool to do a thing like that."

The president was getting uneasy again, and I was going to shift the subject when he took the conversation in hand.

"I think we should make every effort to force the buying of railway supplies along just such lines as the autocrat has been outlining. If we are forcing the sale of our own specialties when they are inferior to others, we are going directly contrary to the law of the survival of the fittest, and we are the almost direct cause of economic waste. Why shouldn't we stand aside and let this law of the survival of the fittest take its due course, and instead of spending so much time on forcing the sales end, let us spend a little more time in improving the specialties or appliances which we do sell. This man who our autocrat speaks of certainly

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made the strongest kind of an argument with that railroad official when he gave him every possible opportunity of demonstrating which was the best appliance in that particular line. He evidently feels absolutely sure that he has the best there is—that is, the fittest appliance to survive, and in spite of all we could do, we are not going to be able to change, in the final analysis, the law that has been working since the time that this world was chaos, and before.”

There was quite a large amount of silence around the table after the president got through. Sometimes you get more out of sitting still for a few minutes with a group of men than you do out of talking. Well, the wind-up of that luncheon was one of those occasions.

XXVII.

A REAL PROBLEM.

"The meeting is called to order," said the sales manager, as he came in. "The Autocrat has the floor, and we will now listen to his usual weekly dissertation on everything in general and nothing in particular."

"I know how much the sales manager enjoys hearing me talk, but I am not going to gratify his wishes in that direction," I replied. "I have something to read to you today. No, it isn't a pamphlet," I said, heading the sales manager off, and I pulled a letter out of my pocket, which I had received, and after telling the waiter that of course I wanted short cake, I read the following letter to our little group at the luncheon table:

"To the Man Who Writes the Autocrat at the
Lunch Table, c/o The Railway Review, Chicago.

"My Dear Autocrat:—

"I have been reading your articles for some months. You are evidently in the railway supply business, all right, and know what is going on, and some of the things that we are up against. As a fellow supply man I am going to ask your advice

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in regard to a certain situation. Here is my story.*

“I have been selling the X Railway for a good many years. The purchasing agent is a good friend of mine; I might call him a business friend, as I do not know him outside of his railroad position, and I think his friendship for me is due entirely to the fact that for many years I have given him a good close price on everything that I have sold him, and I have always sold him a good article. He is one of those purchasing agents who looks beyond the mere purchase price, goes pretty carefully into maintenance costs, and knows that he is buying the cheapest and in the most economical way when he buys something that is going to give service. As he told me one day not long ago, he would rather pay \$100.00 for something that will give five years' service, and \$10.00 maintenance cost, than to pay \$10.00 for something, and have \$100.00 maintenance cost in the same period. While in each instance the total price to him for five years would be \$110.00, still in the article with the higher first cost he is getting almost continuous service, while with the other he is losing money by the fact that he is not getting the use out of the

*Naturally we have eliminated the name of the railroad and the actual appliances sold, and the prices at which they are sold. However, the main facts are exactly as given to us, and probably present a not unusual situation in the selling of railway appliances.

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article that he should have. I think he made a very good point in that while both articles might total the same cost at the end of five years, he recognized the fact that maintenance costs entail additional costs, due to the fact that the particular appliance was not earning money as continuously as it should. Therefore, in one case his investment was earning high dividends for the railroad, and in the other case it was not earning any.

"I have said this much about the purchasing agent of the road because I want you to thoroughly appreciate that he is a first class buyer. You probably know him, and this explanation may have been superfluous.

"A few weeks ago he asked me to bid on a certain appliance of which I had sold him a good many in the last three or four years. The department which uses this appliance has kept careful record as to its service qualities, and the purchasing agent told me of his own accord of the thousands of dollars that they had saved by using my appliance, as against what they had previously used. While I put in my bid of \$64.00, at the same time one of the general railway supply houses, got through some of the clerks in the purchasing agent's office, the price at which I had sold previously, which was \$62.00, and they put in a bid of \$61.50.

"The purchasing agent called me in and showed

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me the figures. ‘Now,’ he said, ‘you have been giving us good stuff, and I would rather see the order go to you, and you can have it at \$61.50 for each of the appliances.’ I told him that I would go over my figures again and see what I could do, but that the price was pretty low, and that the material which I had been using was a little bit higher than when I had sold him the last lot. My price of \$64.00 showed just 38 cents less profit than when I sold them the last lot, but recognizing the fact that business is poor, and for that reason railroad buying is a little bit closer, I had really come down on my price to the road.

“Now the article which I had sold them, and on which I had bid was not something that is patented. Therefore, the railroad could get bids on my appliances and have them duplicated by someone else, but they had to furnish them with *my* blue prints, and get *my* working drawings, from which to make the patterns for the malleables. I have on hand quite a large stock of these malleables, and I was willing to put them in at a closer figure than any one would want to make them up for, and I knew this other concern could not duplicate my appliance, with patterns and other things to make in order to handle the order at any such figure as \$61.50, because I could not do it myself, even with the advantage of some stock on hand and every

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facility for doing the work. I could just about move my material for \$61.50, and I know it would cost them more than that. I delayed on the matter a few days, and meanwhile this supply house that had put in the lower bid called me up and said to me that they had gotten the order and wanted to have me make up the appliances, and they wanted me to do it for \$61.00 each.

"I went over my figures again and found that I could fill the order, as the actual cost to me would not run much over \$60.80. Now what was I going to do? I don't want the X Railway to buy these appliances from someone else; I felt it was only reasonable that I should get something more than a mere trifle of a manufacturer's profit, and I knew this other concern could fill this order, but I knew they could not fill it at the time promised on the delivery. But you know how it is. You can make some excuse and get away with it, and then this concern would be in position in the future to sell to this particular railroad.

"There is also a possibility of cutting down on the quality of the appliance in a way that would not be noticed, probably not for two or three years, and then the wearing qualities would begin to show up and the railroad would find they were not getting quite as good value.

"Now the assistant to the president of the X

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Railway told me of his own accord, not many months ago, of the very satisfactory service that my appliances had been giving and that they felt under obligations to me for having given them such a good article and at so reasonable a price, and he told me of the thousands of dollars that they had actually saved, and he said to me: ‘Now, if you ever want any help on this railroad you come to me. I am disposed to recommend dealing with supply manufacturers who give us the kind of treatment that you have given us.’ He said he had spoken to the president of the road about what I had been doing for them.

“Now you have given a lot of suggestions in your articles that have been of value to me, and I am wondering what you would do in this particular case if it was your own company that was up against a similar proposition. I have been in the supply business a good many years, and I have always fought for a good quality in what I sold to the railroads, and a reasonable profit to my own company. I have never made what I would call a large profit. I have felt that in following this policy that there was certain business that I was not going to be able to obtain, but that there was certain other business that I would get, and get regularly, from discerning buyers. Now, of course, I can go in and take this order and meet competi-

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tion, but if I am going to do this in all cases I am going to be out of business in a few years, because profit of this amount is not going to take care of my overhead.

"What would you do? Would you go to the purchasing agent and talk the thing over with him, or would you go to the assistant to the president and lay the facts before him, or would you go direct up to the president and show him the situation? I feel that what a supply man ought to do is to conduct his business in such a way that it will work to the advantage of the railroads in the long run, and give him a reasonable profit, so that he may continue in business. I would appreciate it very much if you would write me just what you think of the situation, and if you have ever come up against a similar proposition.

"Yours very truly,

"A Brother Supply Man."

"Well," said our worthy president, "what are you going to tell him?"

"That's what I don't know," I replied.

"It is pretty hard to determine for another man what he ought to do," said the junior vice-president, "but do you know I am inclined to think that the time is coming when we are going to take just such matters as this directly to the head of the rail-

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road, and we are going to find out whether he wants good material, serviceable appliances and that which will be most profitable to the railroad in the long run, or whether it is to be the policy of his road to buy what is cheap. It is my idea that a company like our own, for instance, which is the largest there is in this particular line, can sell cheap stuff cheaper and make a larger profit than some of our piratical and cut-throat competitors. We can do this in spite of the fact that we do all the originating and developing, and our cheap competitors simply copy. Of course, we have to spend the money on all the experimental work in order to advance the state of art in our particular line, and the other fellow has saved all this expense, but the very fact that we can do this means that we can also do our work at less cost than the other fellow. Any railway supply concern that can originate and develop is also in a position where they can keep down shop costs and overhead. An incident like this makes a man feel like going to the president of a railroad and having it out with him.”

“I believe,” said our shop superintendent, “that it would be a good idea for us to go into the manufacturing of some cheaper design of our own appliances and be in a position to sell not only on merit but also on price.”

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"We haven't told the Autocrat yet," said the president "what answer to give his correspondent, and I am not going to say what his decision should be. He can figure that out later. But so far as this question of selling articles on their price is concerned, this company is unalterably opposed to selling cheap stuff. I know it's the theory that we should sell the buyer what he wants, but I have been in this business now pretty nearly forty years, and the policy of the company has remained unchanged during that time. I remember when I was an office boy, hearing the first president of this company say to one of the salesmen: 'While we are conducting this business to make money, we are conducting it on honor, and we will not get up any cheap appliances, simply to meet competition. It is a bad thing for this house, and it's worse for the railroads.'"

I answered the supply man's letter the same afternoon and told him something of our conversation at the lunch table, but further than that I did not go.

How is a man going to advise another man just what he ought to do?

XXVIII.

ABOUT TELEPHONING AND LETTER WRITING.

When the sales manager came in he pulled out a newspaper clipping.

“Here’s something for the autocrat,” he remarked, “‘Forty-four Years a Banker, Never Had a Phone.’” Then he went on to read something from a daily paper.

It seems that the man who had never had a telephone had been president of an insurance company for forty-four years, and had never allowed a telephone in the institution. He had permitted typewriters only on condition that he could not hear them. He has retired now at the age of eighty-five years—quit the presidency, but remains with the business as chairman of the board of trustees of the company, which has prospered to a great extent under his direction.

“I don’t think the autocrat would go quite as far as that with his telephone ideas,” said the senior vice-president, “and as I remember it, what he had up for discussion was more the right use of the telephone. There is no question—that everything is bound to be abused—every good thing, and I admit that the telephone is abused.

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I think what our autocrat was pleading for was the right use of the telephone, and the right use of letter writing, and was comparing the two."

"It seems to me," said the junior vice-president, "that the question of personal visits, letter writing, and telephoning is finally a matter of individual judgment. Under the conditions that make one desirable, the others would not serve as well. Personally, I am inclined to favor letter writing, as I think that it is highly desirable and important to encourage the making of records. The weakness of letter writing is that many situations demand a letter longer than most people will give the necessary attention to. It seems to me that almost every business man feels a wave of discouragement overwhelm him when he picks up a four or five-page letter. My own idea is that in a case of this kind, it is a frequently good plan where it is possible, as it often is, to write two letters.

"The usefulness of the telephone lies mostly in being able to take care of a matter quickly and gives an opportunity to confer at once, as a letter does not. The telephone, however, seems to be a breeder of bad habits and to inspire a very odd and unjustified demand for immediate and complete attention. Unless one is prepared to answer fully all questions that may come up, it is a good plan to avoid the telephone and use the letter.

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“I suppose the idea is that when the millennium approaches, one of the first rules would be to shoot the man who has a switchboard operator call you and keep you waiting until he finds it convenient to ask you to do him a favor. Last week I was talking to a large purchaser who was telling me that he had stopped buying steel from a certain company because the salesman persisted in having him called on the telephone before he (the salesman) took the trouble to talk to him. This is a general abuse, and possibly if you could make some suggestions along this line that would result in a slight improvement, you might in time have yourself canonized.”

“Our junior vice-president seems to have some rather violent ideas on this question of telephoning,” remarked the president. “Possibly he has been having some experience such as I had last week. Speaking about this president of the life insurance company made me think of it. Some one called me on the telephone and said that their general agent had asked him to call me up and make an appointment with me for going very carefully into the matter of the kind of protection that I would want to secure from his company. He remarked that he thought his general agent’s suggestion was a good one, and would I kindly make an appointment some time in the forenoon of the

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next day, when I could give him an hour in which to discuss this matter, which was of such great importance to me? I said to him: 'What are you talking about?' He then continued along the same line of glittering generalities, and finally I managed to deduce the fact that he wanted to talk life insurance to me. I am carrying all the life insurance that I really ought to have and need, and I told him that I would not be interested; but he was very insistent, and would not let go of the telephone receiver, and as I was exceedingly busy on that bid for the Y. Z. Railroad, which we had to get off on an early train, I simply hung up the receiver.

"In three or four minutes my telephone bell rang again, and this time it was a gentleman who said: 'I don't know you personally, but a great many of my friends in the railway supply business have spoken very highly of you, and I have often wanted to have the pleasure of making your acquaintance personally. I don't think a man of your general reputation and standing wants to put himself in the position where he is so discourteous as to hang up the telephone receiver.' Here was my life insurance solicitor again, and I promptly shut him off by telling him that I did not care to discuss the subject. Nothing, however, would squelch him but simply hanging up the receiver.

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Now, he represented one of the larger life insurance companies, and as I hung up the receiver, I made a mental note that never, under any circumstances, would I take out insurance with that company, if I had to go without it. There certainly is an instance of a very decided abuse of the telephone. I am glad to see salesmen—used to be a salesman myself; I care not what the man is selling, but one can't always drop everything to receive a salesman. Here is where I think a letter should be written. If a man wants to talk even insurance to me, I am willing to make an appointment. I do not, however, want to have him call me on the telephone and insist on it.”

“Don't you think,” said the senior vice-president, “that a salesman feels that in these days of competition he must do something to break his way in, and that a letter will not get him anywhere with the average man?”

“Oh, I am not attempting to lay down any iron-clad rules for anyone,” said the president. “I think we are discussing what can be done to further an approach to ideal conditions, and, as our junior vice-president remarked, this question of personal visits, letter writing, and telephoning is finally a matter of individual judgment. You cannot treat all men alike. I think our autocrat has done one thing in bringing this question up,

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and that is to emphasize the care which we should exercise in dealing with our customers, especially the first approach or interview, because we may entirely spoil our chances with some railroads if we do not approach them in the right way.”

XXIX.

THINGS ARE NOT ALWAYS AS BAD AS THEY SEEM.

Most treasurers are not optimists; they are pessimists. I wonder what there is about being treasurer of a company that makes a pessimist out of a man. I can see where a treasurer might become pessimistic if he did nothing but pay out money, and was getting very little in, or if he was continually paying out more money than he received, but where a man is treasurer of a company that is making a good profit, I should think he would naturally be an optimist. Our treasurer, however, would be an optimist anyway. He is that kind of a fellow. I only wish I could put down in print just how much I think of that particular officer in our company, and then give his real name, but I don't dare do it. Anyway our treasurer is an **OPTIMIST** and I am telling the printer to put it all in capital letters.

Yesterday at lunch we were all of us doing a lot of pessimistic talking and the treasurer saying never a word. Finally he got down to his cigar, pushed back from the table, tossed his napkin over in front of him, and leaning back said, "You don't

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really expect good business all of the time—right up to the top notch.”

“Top notch nothing,” interrupted the sales manager. “We would be satisfied if business was even a little less than good.”

The treasurer did not mind the interruption at all; he simply smoked on and when the sales manager was through he continued.

“Last week we got such an order, and such an order, both of them pretty good sized, and then three smaller orders,” mentioning the roads and the amount. “So much for last week. The week before that we got,” and he mentioned several good orders, good for any time in any business year and then he kept on listing what we had been doing. Of course, our company may have been doing a good deal better than a whole lot of others in the railway supply business, but I confess I was a little bit surprised at the list of orders which the treasurer enumerated, covering the period of the last few months.

“Don’t you think,” asked the senior vice-president, “that we are apt to get a little bit mixed up in our talks about optimism and pessimism? The business is going to run along in just about a certain way following the law of supply and demand. Our customers can overbuy and we can oversell. There will have to be the lean periods as well as

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the prosperous times, and we have got to conduct ourselves accordingly.

“Probably we all recognize the fact that in addition to the law of supply and demand that we are being affected just now by some man-made laws, which, of course, always interrupt things to a certain extent, but the overdoing of legislation is what will be responsible sooner or later for doing away with much of this legislation, and then we are going to get back to more normal conditions and better business. I was reading last night something from Emerson and just made a note of it to read it here at our luncheon. I don’t remember just where it was, but here is what Emerson said: ‘The level of the sea is not more surely kept than is the equilibrium of value in society by the demand and supply; artifice or legislation punishes itself by reactions, gluts and bankruptcy.’”

“When did Emerson write that?” asked the president.

The senior vice-president didn’t know, but I remembered the quotation and told our president I thought it was some time along in 1840.

“Seventy-five years ago,” mused the president. “The same old world, isn’t it? We don’t change very much.”

“Seventy-five years is not a very long time,” I remarked, “when you set it alongside of the

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hundred million years more or less that man has been here on this little planet."

The sales manager said he had to be getting back to the office and got up to leave. I notice that he generally gets away when the conversation gets around to anything on this order.

"What is it that makes some people squirm when you get to talking about ten million year epochs? We have had them, probably will have them, and after the man who has written on 'The Autocrat at the Lunch Table' has been dead for ten million years, and the printer who printed it, and the man who has read it, have also been gone and forgotten that same length of time, the same law of supply and demand will still be in operation, and probably what Emerson said will at that time be more or less true. There isn't much question but what it will take more than ten million years for everybody to learn good horse sense. What we will have to learn probably is how to adjust ourselves to the law of supply and demand, and at the same time to the instinct of self-preservation, for undoubtedly this instinct of self-preservation is responsible for this legislation, which no one denies is the cause for the present business conditions."

I talked quite a little along this line, partly because I believed it, and largely because it made the

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sales manager squirm. I don't even know whether our president liked it or not.

As we got up to go, the president remarked, “The great trouble is that we are placing the emphasis upon the wrong thing—upon the less important rather than upon the more important.”

I think I know what the president had in mind, and I am sure the sales manager did not.

XXX.

DOES DEVELOPMENT EXPENSE PAY?

The junior vice-president looked tired and worried yesterday, and I found the answer for it a few minutes after we had sat down at the lunch table.

"Say, Junior V.-P.," said the shop superintendent, "what are you doing staying down at the plant all night? The watchman said that you were working there until half past four this morning, and he found you sleeping on the bench in the laboratory when he went around there about half past six."

The junior vice-president made no reply. I think he was too tired physically to argue with anyone, or to talk about anything. I knew what he had been doing. He had been spending the company's money and his own good health in order that he might give to the railroads the opportunity of buying a better appliance for less money, and I said that I sometimes wondered if it was all worth while, because after we go to all the trouble and expense of developing something new and better, we are faced almost immediately by a competitor with something that looks like what we have.

"Don't talk that way," said the treasurer, "or we

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will change your name from ‘autocrat’ to ‘pessimist.’ ”

“No, but here’s the point,” I said. “You know that we have a certain competitor that, as soon as we put this particular improvement out among the railroads, will copy it so far as they dare because of our patent protection, and then will sell it as being the same as ours, only of course much cheaper. They can afford to sell it cheaper for two reasons. One is that they have not spent any money on experimental work, and you as treasurer ought to know that our laboratory is a pretty expensive proposition. Our competitor has no such thing as a laboratory, and he has saved all that money.”

“Oh, yes, I know,” said the treasurer, “but railroad men appreciate what we are doing, and they will buy from us because they feel that in the long run they will get more for their money.”

“Don’t you believe it,” said the sales manager. “We will put in a bid on this thing that the junior vice-president has worked out, for instance, with the A. B. C. Railway, and our competitor will put in a bid on his junk, and the A. B. C. Railway will buy from the competitor.”

“Yes,” said the senior vice-president, “that may be true, but that railway is not the only one in existence.”

“No, but there are a lot of A. B. C. Railways,” I

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replied, "and we have to face the fact that for many years our company has spent money, time, energy, and thought in development work, for which the railroads generally are not willing to pay. We are continually studying,—devising ways and means, not only of developing something new, but improving what we already have. It is true that this is a service to the railroads, but railway officials are no different from other buyers. No man wants to pay money for service. It seems to be an instinct with buyers to pay according to the size of an object, and not because of what the object itself may be, or what merit it has.

"A doctor may bungle along for six or eight months with a patient,—spend a lot of time,—furnish him with a lot of medicine, and in spite of the bungling, the patient may get well by the end of a year. Now, the average patient does not object to paying that doctor two dollars a call for fifty calls,—that is one hundred dollars; and yet, if that same patient had gone to some doctor who knew something, and that doctor had said: 'Why, what you need to do is thus and so,' and the patient had been well in a week, that same patient would be impatient, and worse than that, if the second doctor had charged one hundred dollars, which is the same price as was paid the first doctor. There is no use in talking;—the average individual would rather

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pay a doctor one hundred dollars for fifty calls, or fifty bungling prescriptions, than pay the other doctor one hundred dollars for one prescription that was right. It looks as if he were getting his money too easy.”

“But we are not in the doctoring business,” said the treasurer.

“No, but we are in a business,” I replied, “where we should give service, and the work that our junior vice-president did last night is simply an example,—one small instance, of what we have been doing for twenty-five years in developing our products. I do not believe such development work as we are doing is appreciated. I think the railroads are getting into the same frame of mind that is true of every American citizen. We are buying cheapness,—not quality; we are buying appearances,—and not realities.”

“Well,” said the treasurer quietly, “what is the largest concern in our line? What company manufacturing products similar to ours has the largest sales? Who is selling the railroads of this country fifty to sixty per cent of the particular appliances that we manufacture?”

I confess I quieted down a little when our treasurer put it just that way, because, as a matter of fact, while we have competitors that are pirates and steal our ideas as far as possible,—that origi-

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nate nothing,—that simply sell on price alone, the cold, hard facts in the case are that at the end of each fiscal year, we find that we have done more business than any of our competitors, and I guess this is the answer.

XXXI.

RECIPROCITY IN FAVORS.

“Theory is an awfully convenient thing, and is of use a good many times. We might theorize quite at length on reciprocity in favors and arrive at some very interesting conclusions—not only interesting, but true. Actualities, however, are more to the point, and we generally have to make use of them in order to prove our theory. Herbert Spencer is a great fellow for taking one of his theories and proving it with a homely illustration. There is so much to be said about reciprocity in favors, and so much theorizing to be done over it, that we will skip immediately to the illustration, which will possibly point to the moral just as satisfactorily, and a good deal more briefly.”

“The autocrat is breaking out into song, isn’t he?” said the sales manager.

Even the president had to smile a little, as he remarked that he thought possibly I might overdo the theorizing.

“All right,” I replied, “I will attend to eating my lunch.”

“No, go on,” said the senior vice-president, “with one of your ‘homely illustrations.’ We would like to hear it.”

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"All right," I replied, "I will be good natured for once and give you an illustration. A certain railroad was in the market for certain appliances to go on a new lot of freight cars which they were buying. Before any bids were invited for the cars or the specialties that went on them, our company was called in to talk with this road about certain particular appliances, in the manufacture of which we are the recognized leaders, for the reason that we have been at it longer, and have sold more than any other concern in a like line. What was wanted of us was our advice in general in regard to the use of the appliances in question. Our experience was of value; our investigations, extending through many years, were worth money to this railroad buying the cars. In order to prove the statements which we made, it was necessary for us to go to a considerable amount of trouble and expense. To the best of my recollection, our expense account on that particular lot of cars ran a trifle over \$400.00. We proved to the railroad that our advice to them was correct."

"That was the P. Q. R. Road," said the junior vice-president.

"Yes, and that's the last time they ever got anything for nothing from us," said the shop superintendent, "and the only time that I am ever tempted to do a poor job, or give poor quality, or inferior

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construction, is when an order comes through from that tight fisted, narrow minded ——.”

“You are going it pretty strong, aren’t you, shop superintendent?” asked our good natured treasurer.

“Let the autocrat continue,” said the president.

“Then the bids for the cars were put out, and we bid our regular price. However, our competitor got the business, because his bid was a trifle lower than ours. Now, our competitor didn’t make as good an appliance as we were making, and the railroad admitted as much, but as the material of which this specialty was constructed was the same in the case of the competitor’s appliance as it was in ours, and as their design of construction was fairly good, the railroad felt that the expert knowledge which became theirs because of our service would enable them to make use of the inferior appliances, and they decided to let the contract to the competitor and save a little money.

“Without getting back at all to theory, let us analyze the situation for a moment and see at what point we will arrive if this becomes a settled policy with all railroads. This railroad in question is not a small road. It is one of the larger roads; its managing officials are looked upon by the public as being energetic, capable and broad-minded in their policies.”

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"Broad-minded—nothing," said the shop superintendent.

"The autocrat didn't say that they were broad-minded," replied the treasurer for me. "He said that they were 'looked upon' as being broad-minded."

"You are going to get me off my track," I said to the shop superintendent, "if you interrupt me in this 'homely illustration.' The road is an old one, and an influential one. The policy, moreover, is not an unusual policy with them. Mind you, in all this we are not criticising the railroad at all. They do what any purchaser should do—buy equipment that will render satisfactory service, and buy it at the lowest price.

"But haven't we got to go a little bit further in our buying than simply the question of price, and the service rendered by the article bought? Is not the railroad in the position of buying, not only material from the manufacturers of railway supplies, but are they not also buying expert knowledge from the men who solve their problems for them? If the special instance referred to is to become a settled policy on the part of all railroads, what is to be the effect? Are the better railway supply concerns to be encouraged, or those of only mediocre ability?

"Most assuredly a railway supply manufacturer cannot afford to solve a given problem for the rail-

roads, make a better article, and sell it at the same price as the ‘plagiarist.’ True, we have our patent protection, but this does not always mean a complete protection. The railway supply manufacturer may spend time, energy and money in the developing of things that cannot be patented. It is very apparent that there are many cases in which railroads are having trouble with some special appliances, where investigation on the part of manufacturers develops the fact that the general design is correct, but that the material is at fault. No patent is going to protect a manufacturer against the time spent in finding out that a malleable casting used in a special place is better than pressed steel. Yet it sometimes costs money to find these things out.

“The problems of the railroad managements are many. A portion of their problems are being solved by the railway supply manufacturers of the better type—those manufacturers who originate—investigate—who believe in honesty in manufacture. Are manufacturers of this type going to go out of business because railroads are not willing to reciprocate by placing orders with such concerns at a slightly higher price?

“This problem is up not with one railway supply concern, but with many of them. Many an earnest talk is had behind the closed doors of the railway

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supply business of this country as to whether their policy for the coming year will be to discharge certain high priced men who are spending their time in finding some way of doing things better, and stop this policy of improvement, and for the future sell what they have on a purely competitive price basis.

"Reciprocity in favors—the acting upon it means progress in railroad construction, and what is more, it means real economy in the long run, and the apparent saving in buying the cheapest will be more than offset by a real saving in buying the fittest appliance from the concern who is manufacturing it from expert knowledge and long experience."

"I cannot help but agree with everything you say," said the president, as I paused after my long dissertation. "It is really a very serious proposition. I sometimes wonder if we are not working for our competitors. I suppose most railway supply manufacturers have to take risks in making expenditures for educational purposes and to help railways to decide important matters. They are experts whose services are generally at the service of railway companies without charge.

"Sometimes, however, this service involves large expenditure of high-priced time, and of money. No bargain can be made in advance, and the manufacturer, engineer or contractor takes his chances on getting anything back. Sales expenses are un-

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doubtedly largely increased by this kind of work; and in most cases the selling company has no just cause of complaint if it does not get the order. ‘It’s all in the day’s work.’

“Nevertheless, where work is honestly done and expenditures made either on the direct request of the prospective buyer or with his co-operation, fairness demands that their expenditure of time and money be remembered and taken into account in letting the order or contract. It is hardly fair that the concern which puts out its resources liberally, should find that the result inures to the benefit of a competitor who steps in at the last moment and having incurred no expense in the preparatory work of investigation, makes a lower price to take away the business.”

An old-time friend of the president’s came over to our table just as he was talking, and, catching the drift of our conversation, he said:

“I want to add something to your discussion which comes quite recently from an experience in my own company.

“We were engaged in certain specialized construction work which required that plans and drawings be made for each special job, depending on local conditions. At the request of the chief engineer of a large system we made such plans for a considerable number of locations. The work ran

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through the best part of a year and involved a cost to us for traveling expenses, drafting, etc., of about \$2,400, not including any charge for the time of our engineers and estimators. No fault was found with our plans—in fact they were approved and substantially used, although not by us. Competitors who had made no such plans or practically any expenditure, stepped in and took the work. We had proved to the railway that the work was necessary and economical; the other fellow reaped where we had sown, and we received no thanks or recognition.

"I do not think that the chief engineer was wholly to blame. When the time came for placing the order, higher authority told him to figure with so-and-so on the job. We had the cold comfort of bidding on some portions which we did not get, because the other fellow made his bid on the whole proposition and without figuring any preliminary engineering expense. It has always seemed to me that the engineer ought to have stood up for fairness to us and explained all the circumstances to the man higher up. Our work ought not to have given us any 'cinch' on the job; but it certainly ought to have been placed in some way, to our credit. We have always found a reputation for fair dealing to be a valuable asset, and a railway company in the long run would also find it to be so.

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In this particular case it cut itself off from whatever advantage there might be in having us bid on future work.”

“I wish I could get some fellows I know to read what the autocrat will say about this luncheon conversation today,” said the sales manager, “but I don’t believe it would do any good. I heard a college professor lecture the other night on ‘How to Bring Up Children,’ and he prefaced his remarks to the parents by saying that he didn’t give the talk with the idea that it would do any good. His whole purpose was to be entertaining and make money on the lecture platform. He said that parents are always ready to listen and enjoy hearing any one telling how to bring up their neighbor’s children.”

“It brings back the old proposition, doesn’t it?” said the senior vice-president, “as to whether a purchaser buys by the pound or by the amount of service to be rendered,—by looks and appearances, or because of intrinsic merit?”

XXXII.

PROPER ATTENTION TO APPLIANCES IN SERVICE.

“A little of that roundhouse physic of neglect” was the way in which a railroad man put it to us the other day at lunch. It was well put,—a mighty suggestive phrase of what is going on so far as railway appliances are concerned on many roads. We are bound to have a whole lot of it, and railway supply manufacturers should expect it, and, expecting it, should design and construct whatever equipment they sell keeping this always in mind.

We had a very pleasant luncheon that day, because the railroad man was a mighty fine fellow,—broad and liberal in his views,—looking for final results and not for immediate appearances. The only thing which occurred to mar the pleasure of having him as a guest was the fact that the senior vice-president said that he wanted to apologize for the autocrat in that he might seem somewhat peculiar, due to the fact that he confined his diet entirely to shortcake.

Now, I had promised to let club sandwiches alone, and the senior vice-president therefore took unfair advantage of me. However, I came out on top, as our railroad friend was a devotee of straw-

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berry shortcake, and worshipped at its shrine with the same enthusiasm as did I.

To go on, however, with our conversation at the lunch table, it was admitted that proper attention to appliances in service we never get in railroading or anything else. Some men take good care of their automobiles if they have them; other men do not. They don't even hire anyone to take proper care of them. The same is true regarding a horse. The man who now owns an automobile is the man who used to own a horse. From some owners, the horse, harness, and rig received the proper attention; from others they didn't.

All through railroad service, attention of one kind or another is given to the appliances in service. It depends to a certain extent upon the management of the road, but to a much larger extent upon the individual employee. The ideal condition for railway equipment is that it should be self-maintaining, self-operating, fool-proof, and a good many other things; but with the increasing demands for better railway service on the part of the public and shippers, and together with it, an increasing demand for a smaller charge for the better service, it becomes increasingly imperative on the part of railroads that proper attention be given to appliances in service.

“But, after all,” said our railroad friend, “is it

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up to the railroads entirely—this question of giving the proper attention to appliances in service? Isn't this something that even from our own biased viewpoint, we must admit, is also up to the railway supply fraternity as well? Naturally, a man who buys something is supposed to take care of it. But there are certain things that are sold which, if not sold under a guarantee, are sold in a way where there is implied a guarantee that they will perform the proper amount of service for a certain number of years.

Railroading is so diversified; its problems are so many and so complex; the railway manager is dependent so much upon the expert knowledge and service of the manufacturer of railway supplies, that it would seem as if a man who manufactures and sells any equipment to railroads should be responsible for its problems in service, that is to a certain extent. The railroad's responsibility should be in that it will see that the thing which is used is given fair usage—that is in so far as possible in an industry where unfair usage is bound to occur, due to the very nature of the business. Locomotive appliances especially need careful watching, in addition to proper care.

Is it not fair to expect from the manufacturer some attention to the appliance which he has sold after it has gone into service? He has sold it for

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the specific purpose of giving certain results if correctly used and handled. There are many appliances used in railway operation where it is imperatively necessary for someone with an expert knowledge to give such appliances a little attention at regular intervals, beyond the care that is ordinarily given them by employees of the railroad who are properly attending to their work.

Not only is there an advantage to the railroad in the supply manufacturer giving proper attention to the appliance which he has sold after it goes into service, but there is also a very plain and very big advantage to the manufacturer himself. Not all appliances are perfect—not all have been fully developed. There is room for progress, and out of proper attention to his appliance in service there may and will come to the manufacturer much added knowledge, which he can turn into added profits by making his appliance more perfect.

We cannot get very far with anything in the railway world without stumbling upon the value of co-operation. This spirit of co-operation which has pervaded railroading since the first rails were laid has had very much to do with its growth and success. There are two ways of looking at the question of proper attention to appliances in service—that is two viewpoints from which we may look at the question. The one viewpoint is that of the rail-

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way officer or employee, and his duty toward the appliance which he is using, and the other viewpoint is that of the manufacturer of that same appliance, and his duty toward the railroad, in watching it not only that it may operate at all times as it should, but that in the watching of that operation there may come a possibility of further perfecting the original design of the appliance."

That afternoon when we were back at the office, I got our railroad friend to dictate as nearly as possible what he had said that noon at lunch and give it to me, so that I could have it printed exactly as he would like to see it. I thought he hit it off pretty well, and I wanted to have it in printed form so that I could give the supply fraternity at large the benefit of it. It seemed to me that he had certainly sized up the situation in pretty good shape. It is men like this who increase one's respect for the business they are in. In spite of a lot of talk which we hear to the contrary, I would like to go on record right here as saying that some of the biggest, broadest, and best fellows I ever met are in railroading, and they are not confined to any one rank. They range all the way from the boss of the cinder pit to the occupant of the apparently easy chair behind the mahogany desk with a glass top which is used by the president.

XXXIII.

THE CURRENT NEWS OF THE INDUSTRY.

Yesterday was one of those raw, cold, damp, disagreeable days that make a man feel like hibernating. Possibly that's what makes him feel like a bear, and go home feeling as cross as that animal is supposed to feel. We had an awful struggle picking out what we wanted to eat, and I laid it up to the weather, remarking on how atmospheric conditions affected our dispositions.

"That's all true," said the sales manager, "but if you had to earn a living by selling something at a higher price than your competitor, you would get your disposition trained so that it would be pleasant on all occasions."

There was a little sting in the sales manager's remark, and I was just in the mood where I could hand it back to him, when our senior vice-president stepped into the breach with the remark that the salesman of today makes a success not only because of his ability to present sales arguments pleasantly, but because he has a knowledge whereof he speaks. Then he went on quite at length on his ideas of salesmanship, as near as I can remember it, about as follows:

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"The old type of salesman was a man who, because of natural disposition, was enabled to meet his fellow men in a way that was pleasing and entertaining. Any one of us could easily call to mind a salesman of a quarter century ago who had a smile for everyone and a story for every occasion. Knowledge of what he sold was not necessary. It was personality and persuasiveness, and not expert knowledge of the thing sold, nor of the conditions under which the thing sold was to be used. True, such salesmen are with us today, and there are certain manufacturers who make it a point to hire men who know absolutely nothing about the thing they are to sell, with the idea that their natural ability will take care of them. Undoubtedly a pleasing personality influences sales to a certain extent, and the manufacturer who employs such a man is right to a limited degree.

"However, the buyer of today is looking for something besides persuasiveness and suavity on the part of a salesman who presents a product to him. He is looking for someone with an expert knowledge in that particular industry, who can help him solve his problems. The man who knows is the man who sells. This is right, and as it should be.

"With this change in salesmen, from a matter of personality to one of knowledge, has come also the salesman with a pleasing personality and with a

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narrow knowledge—a knowledge limited exclusively to his own particular line—so limited in fact that it is impossible for him to see or appreciate the attitude of the man on the other side of the desk, who wants to buy what he wants to sell. This latter salesman is not much better than the old type. The modern buyer buys not only from the man with a pleasing personality,—not only from the man who knows his own narrow line, but from the man who is broadly informed as to problems and conditions in the broad business field in which the buyer is operating.”

“This would bring us down to being informed on what we might term the current news of the industry,” I said to the senior vice-president.

“I should think that is a very good definition of it,” said our junior vice-president. “Personally, I do not believe that anything is of any greater importance to the railway supply man than a thorough knowledge and understanding of current events, current problems, current practices, and current news of his own industry and the industry of the man to whom he sells. To be able to sit down and talk intelligently with a railroad official, not only of one’s own product, but of his product in relation to other equipment that is used by a railroad; to know generally how such equipment is handled and used—this is what interests the man who specifies or

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buys railroad appliances. More than this, a knowledge of the problems which confront the railway officer is peculiarly advantageous to the railway supply man. Between the railroads and the manufacturers of railway equipment there exists naturally and necessarily a community of interests, and the railway officer finding a railway supply man well informed on all the topics of the day pertaining to railroading is very naturally inclined to discuss them with him. This leads to a better understanding; leads to friendship; leads to the railway officer placing more implicit confidence in what the railway supply man may have to say, and also what he may have to say about his own manufactured product."

"Its a pretty hard matter, isn't it," said the shop superintendent, "to keep posted in the way you ought to?"

I saw that our president was turning some matters over in his mind, so I remarked that I thought probably he could tell us the shortest cut to information of this kind.

"Well, I don't know," said the president, "that I can give you any short cut. There are many ways in which railway supply men can keep posted as to the current news of their own and of the railway industry. Getting out and mingling among other manufacturers and railway officers; attending club

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meetings, conventions, and exhibitions—are all of them a big help in this special direction.

“There is, however, a very sure and certain way of keeping in touch with things as they happen, which is oftentimes overlooked by the railway supply man, and is overlooked by him more often than by his good friend, the railway official. Railway officers as a general rule are pretty well interested in the railway papers to which they subscribe. If they do not have time to go over them personally, the work is delegated to some subordinate who reads and marks for their personal perusal, matters of importance as they are published from week to week in the leading railway journals. This is not so true of the railway supply man. We might just as well admit it. We do not as a class read the publications in our own trade as carefully and as regularly as we should. In them is collected and condensed all the important news of the day, and everything of value and interest to railroads generally is found in their pages some time during the year. The subscription price to a trade publication or to a number of them is not a large item in the expense account of the railway supply manufacturer; the time consumed in perusing them from week to week would not cut into his unoccupied hours to any very great extent, and the value to be derived from the regular reading of any railroad paper is very apparent,

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and its results would be felt directly in its effect upon his own business. Of course success in any field of endeavor is possible without reading—that is, with very little reading. There are ways of getting along, and getting information and keeping posted without reading anything—not even a daily paper.

“It was not very many years ago that the printing press was introduced, and it has only been within the last few hundred years that the average man has had the ability to read, let alone the opportunity of getting something to read. In the days of Homer, information was passed along by word of mouth from one town to another, or from one generation to another. It was a clumsy and awkward way of doing, and civilization proceeded slowly at that time. It was only with the introduction of the printing press that civilization began to move by leaps and bounds. We moved from picture painting to the alphabet, from laborious writing to the printing press, and from the slow-going ox cart to the modern railroad train. No man thinks of conveying his thoughts by drawing pictures to illustrate them. A railway supply man certainly does not travel by means of an ox cart. Why ignore the printing press and what it gives us?”

As we walked out of the dining room, I said to the senior vice-president:

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“I certainly do admire the terse and comprehensive manner in which the ‘big boss’ handles anything that he tackles.”

“Well, he has had a good many years of experience,” said the shop superintendent, who was walking along with us.

“Yes, that’s all true,” I replied, “and I would not for a minute minimize the value of experience, but experience is not always measured by years. Some men benefit more by one year’s experience than others by ten years. Our president is one of those men who has gotten ten years’ experience out of each twelve calendar months. Possibly that is the measurement of a big man.”

XXXIV.

A FEAST OR A FAMINE

“ ‘A feast or a famine’ is something that is handed down to us from our pre-historic ancestors. With the savage, uncivilized races, it is always a feast or a famine. The reason for this is very apparent. The savage,—the untutored,—the uneducated,—the inexperienced, are naturally improvident. They make no plans for the future. They have a very little idea of time. It is a hand to mouth existence for them, and living from one day to the next. Very naturally from them we should expect just this mode of life. Feast one week and starve the next.

“We should expect a gradual elimination of such a condition in the progress of the race. We are apt to feel in this twentieth century of ours that we have progressed a very long way even from the civilization of Greece and Rome, to say nothing of the barbaric days which preceded the semi-civilization of that period. But we are confronted today with the same old problem that has confronted the race since it left the trees to go into caves. Our commercial life is a very good illustration of the fact that the feast or famine is with us today as much as it ever has been. This is particularly true in our own special field,—that of the railway sup-

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ply manufacturing business. Today it is a famine, —a year ago, a feast.

“The savage becomes so accustomed to the conditions surrounding his life that he is able to gorge himself in a way that would kill a civilized man, and then endure starvation, and still live. He takes it as a matter of course. It is a part of his existence, and he makes no very special or strenuous efforts to avoid this condition;—makes no plans for the morrow;—lets the morrow take care of itself. If there is food in sight, he goes after it strenuously enough, but further than that all effort ceases. He makes not even feeble attempts toward making some arrangement whereby food can be supplied with tolerable regularity.

“Perhaps we are not quite so badly off as this in the railway supply business, but we certainly spend a good deal more time, and thought and energy, in going after what business may be in sight than laying any plans for keeping business in sight with some little degree of regularity. It is true that the Railway Business Association has done some good work in this direction, but their limited membership is mighty good evidence that there are only a very small proportion of the thousand or more concerns who sell railroads who are at all vitally interested in the problem, and the majority are a good deal in the position of the uncivilized man who

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takes what comes as a matter of course. Until practically every railway supply manufacturer has been educated up to the necessity for co-operative action through affiliation with some association, feast or famine in the railway supply business is bound to continue.

“There are of course some very good natural reasons for a feast or famine in a business such as we are engaged in. This is especially true in certain particular lines of the railway supply business. A purchase of railway equipment is determined of course very largely by the condition of railway earnings, and on this is dependent, of course, the borrowing power of the railroads,—their ability to get money for improvements. When conditions are such that one road is in a position where it has the money necessary for equipment, the chances are that other roads will be in the same position, which causes a heavier buying of equipment than at other times, meaning a feast for the railway supply manufacturer, and the reverse of these conditions naturally means a famine in the railway supply business.

“It is a big question for the individual railway supply man as to what part he is going to take in eradicating this very evident evil, and as it is something greatly to his advantage to have the railroads buy with regularity, it would seem that more rail-

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way supply manufacturers would feel impressed with the necessity of doing something. It is a well established fact that a plant which can be run regularly is not only more profitable to the owner who has something to sell, but also more profitable to the man or company who buys the uniform output. It costs more money to turn out the finished material in a certain quantity in six months than it does in twelve months. Six months of feast and six months of famine for the railway supply manufacturer means less profit for him and a higher cost to the railroad than the same quantity turned out evenly during a period of twelve months.

“What’s going to be done about it? From the railway supply man’s point of view, something ought to be done, he is the one that is directly affected by the ‘Feast or the Famine.’ ”

“It certainly is a lucky thing for you,” said the junior vice-president, as he began on his pie, “that the sales manager is a thousand miles from here. He never would have put up with any such long talk from the autocrat.”

“I apologize,” I replied, “but my mind has been so full of this subject for the last week that I just had to get rid of it, and you know this is my golden opportunity for so doing.”

“You don’t need to apologize at all,” said the president to me. “I think if some of these things

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could be hammered home to our business men, so that we would get in the mood—in the habit of handling our affairs from a fundamental point of view, and not in a superficial way, all of us would be a great deal better off, and prosperity generally would be speeded up to a very much larger degree. Every thinking man appreciates the fact that human progress and civilization,—the bettering of the race, is something which moves ahead very slowly and slips back very quickly. The earth's surface is nowhere near as thin proportionately to the whole size of our planet as is the veneer of civilization to the years which we have spent in becoming civilized."

"You would appreciate the truth of that statement more thoroughly," growled the shop superintendent, "if you handled a bunch of men such as I have to handle every day. In fact, you would not talk about any veneer of civilization, nor even a thin coat of varnish.' "

The party broke up suddenly, because we didn't want to hear about what went wrong in the shop. That was the way the superintendent earned his salary, and we hastily departed, leaving him to his own troubles.

XXXV.

WAITING.

"My, but that waiter is slow," said the senior vice-president.

"New man," answered the junior vice-president, "give him a little time."

"You don't mean to say that waiting is disturbing you any," I remarked. "We have all of us been doing so much waiting here recently that we ought to be able to wait for a waiter, and do our waiting very calmly. It seems to me that the word 'waiting' very well describes the position in which the average railway supply manufacturer finds himself at this time. The thing about it is that he has been in this waiting position for several years now, and his condition is getting to be chronic, so chronic in fact that he is wondering if it is going to settle down to a permanent situation. While, of course, there is always a moderate amount of business being transacted between the railroads and the men who furnish them with material, supplies, and equipment, still the amount of business that is being done right now is not large enough to make the average railway supply man feel particularly enthusiastic regarding the line of business in which he is engaged.

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“‘He truly serves who also stands and waits’ may be a very true saying, but service of this kind gets to be very monotonous after a few years. Right now, of course, the railway supply man is looking a little bit harder for business than he would if there were plenty of it in sight, and while he is waiting, he is also watching—and watching very carefully for every opportunity to help orders materialize. Whenever you see a group of railway supply men, or meet with them, and overhear what they are talking about, the subject of conversation is very sure to sooner or later come around to the point of discussing the question as to just when railroads are going to begin buying again.

“Of course for many months the proposed five per cent rate increase has been constantly uppermost in the minds of railway supply men. They have been hoping that this will be granted, and that it will be granted in the near future. They have felt that with this concession to railroads the bars will be let down, and their plants will be flooded with orders from railroad companies, who have been practicing the severest economies for a number of years.

“As long as they have been waiting, they have been living in hopes. Now the five per cent increase seems to be further off than ever, and the

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railway supply man is once more getting some further practice in the art or science of waiting.

“True, in this waiting period there is an opportunity for the manufacturer of railway supplies to take stock with himself and see whether that which he is manufacturing and offering for sale is being turned out with the greatest possible economy. It is a good time to look into the overhead charges; a splendid opportunity for analyzing manufacturing costs, and what is of still more importance, it is a good time to look into the sales expense. The sales expense of a railway supply manufacturer is not small; in fact, it is large, and it seems to be necessarily so.

“Apparently the selling of railway supplies should be conducted with economy, inasmuch as that which is sold is sold to comparatively few, and the gross amounts are large. However, the selling of equipment to one railroad does not mean the dealing with one man; it means the dealing with a great many men, and to place any appliance upon a railroad means that a great many departments and a great many individuals on that special railroad have to be satisfied that what is to be bought is to render the best service for the least amount of money.

“During this period of waiting the opportunity presents itself to the average railway supply manu-

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facturer for doing a large amount of educational work, making every man on a railroad who is interested in his special appliance more thoroughly familiar with it, and with what it can do. To do this means a very large sales expense. To do it by advertising means a greatly reduced expenditure. At the same time, railroad men generally keep themselves very well informed, and go very thoroughly into the merits of equipment which they are using.

“Probably during this waiting period, the time is most opportune for conducting an advertising campaign of the right kind. The railroad man right now is not in the mood where he is thinking of buying. Probably for this reason, this is a better time for educating him from a railway supply man’s viewpoint than if he were buying, and it is through advertising that this educational work can be done economically, and if the railway supply man handles the matter with intelligence, it can be done practically. Then, when the waiting period is over, the manufacturer who has been doing judicious advertising, is going to be in a far stronger position without any unwarranted expenditure of time or money.”

“Every time I go out of town,” said the sales manager when I was through, “I come back and find the autocrat in bad habits again. As long

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as his discourse was on ‘waiting’ I thought I would wait. Now, I would like to know if all knowledge reposes with our autocrat.”

“Not all knowledge,” said the president, “but you must admit that we depend upon him for bringing to us each noon many new ideas, or many new ways of looking at old ideas.”

“They are all right theoretically,” said the sales manager, “but I tried some of his theories on Mr. ——— of the Z. Ry., and they didn’t work at all.”

“I think you made a mistake,” said the president, “in trying to use any of the autocrat’s theories.”

“Then what’s the use of them?” asked the sales manager.

“Just a minute,” said the president. “You have to take the ideas of another man, weld them in with your own ideas,—make them a part of your own personality,—your own individuality, if you are to use them successfully. The human mind is not the wax cylinder of a phonograph, upon which to receive what others say and then repeat verbatim what has been said. I do not agree with all that our autocrat has to say, and, mind you, I do not say that he is right or that he is wrong, he is no different from any other man. What I think you can do that will be of value is to absorb what the

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autocrat has to say, or the good in what he has to say,—not only the autocrat, but any one else. Grow,—develop your own self by so doing; then make use of what you have learned. Don't talk as though you were a book of quotations, or as though you were a talking machine record."

"The sales manager got it pretty hard from the old man, didn't he?" said the shop superintendent to the junior vice-president as we walked down the street from the club. "What's the matter with the selling end of our organization any way?"

"I guess this waiting is getting on his nerves," I broke in. "You really can't blame a man for feeling continually upset who is responsible for the sales of any railway supply concern. These are the days that try men's souls. Our sales manager is all right in the main, but you know he is getting some pretty hard sledding, and I think he is standing up pretty well under it. You remember that book of Charles Reade's 'Put Yourself in His Place'; a pretty good story and well worth remembering. If you can only do that, it gives you quite a different way of looking at things."

"You certainly are a peculiar proposition, Autocrat," said the shop superintendent. "There's nobody at our lunch table who roasts the sales manager as you do, and yet behind his back you defend him."

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“I don’t intentionally ‘roast’ the sales manager,” I said. “I disagree with him partly because I do actually disagree, and partly because I value the sales manager’s opinion and point of view very highly and want to draw him out. He is the man who is actually and continuously in touch with the railroad men, and I think his ideas and attitude are of exceeding great value.”

XXXVI.

PRESENT CONDITIONS.

The president went away on his vacation last week, and we were all of us glad to see him go. He needed it; any man does who is at the head of a railway supply business these days. Everybody else in the establishment can go and put off his troubles on somebody and then go home and sleep nights, but the president has to take his troubles home with him. There isn't any dodging of the fact that the man at the head of a business has a responsibility which he cannot share.

Well, when we sat down to lunch, the sales manager made a profound bow to the senior vice-president, referring to him as chairman of the convention, and suggesting that he would be willing to lend him a pencil if he would sign the ticket for every one. There was a lot of good natured joshing, and before we got through, the senior vice-president did sign the ticket.

"Now that the ticket is signed and that's off our minds," continued the sales manager, "I want to propound the following to the august body here assembled: What is the outlook for business? When will the railroads begin buying? Do you think they will begin buying in any quantity be-

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fore fall? Are the railroads going to buy generally, or will there be just a few roads in the market? Will the crops have any effect on railway purchases? Do you think railroads are going to buy for future needs, or simply from hand to mouth?”

“All these and many more questions are being continually asked by the railway supply trade,” I replied. “What is the real condition of things to-day? Ask any man who is acquainted with railroad conditions, and in describing the situation as it is at present, he will use the word ‘spotted.’ This applies not only to the railroad field, but seemingly to many other fields. In a medium sized city, you will find on one side of the street a manufacturer who says that business is good, and across the street another man will tell you that business is not good; ‘there is no business.’ Not that the one man is an optimist and the other a pessimist, but they are really telling you exactly the condition of things as they see them. Probably no one in the railway supply business would claim that his business is unusually good; yet you will find a number who say that their business is running along as well as can be expected. Just what does that mean? Does it mean that that particular railway supply concern does not expect any business, and is, therefore, not disappointed in its expectations?”

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“There is uncertainty everywhere,—yet constant encouragement. One road is not doing any buying, except that which is absolutely necessary, and after it has ordered some small amount of material or equipment, will have the manufacturer cancel the order. Another road will buy carefully, for their immediate needs, and still another seems to maintain the policy of buying conservatively for their immediate and also for their future needs. One railroad has announced, not publicly, that its policy will be to buy carefully and regularly just those things that are needed to maintain the road in proper condition and meet the demands for good service on the part of the public and the shippers.

“Analyzing the conditions of the railway trade seemingly does not get one very far in a satisfactory solution of the problem as to when and how much railroads are going to buy. Very naturally the sellers of railway equipment are simply reflecting the mental attitude of the buyers, and a most satisfactory description of the conditions as they are at the present time seems to be found in the word ‘spotted.’ Possibly this is better than a uniform depression in railway purchases. It may indicate the resumption of business, and good business, too, in the near future. Still, on the other hand, it may mean that this ‘spotted’ condition simply reflects a very general curtailment of purchases on the part

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of the railroads doing only such buying as seems to be absolutely necessary for the actual upkeep of the operation of the railway lines.

“The railway supply business for a good many years has had the ‘feast or famine’ appearance, a phase of the business which has been touched upon by us at these luncheons. Naturally, men whose livelihood is dependent upon the selling of railway supplies are inquiring anxiously as to what the future may be, in order to prepare themselves for the conditions which must be met. A man may forecast the future; figure it out from the past; analyze the present conditions, and get therefrom the probabilities of what is to come; but no man can speak authoritatively today of that which shall occur tomorrow. It is one of the limitations of the finite mind, and all guessings as to the future remain guessings. The future will determine whether they are good guesses or not.

“Meanwhile, with ‘spotted’ conditions in the railway supply business, and uncertainty as to just what the immediate or far future will bring forth, while no discouragement is intended to those who are attempting to anticipate that which is to come in the way of business or lack of business,—still there are certain things that can be accomplished in the railway supply business today, without waiting for tomorrow. No good salesman who knows

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human nature fails to recognize for a moment this fact: that when a buyer is not buying, his mind is much more open to suggestion or argument as to what he should buy than when he is doing the actual buying. He is in a more recipient mood; listens more carefully to statements in regard to the merits of any appliance.

“A man who has a farm does his planting not at the time of year when everyone else is reaping. He does not expect to plant today and see the results of his planting within the following twenty-four hours. He realizes that there are certain times for putting the seed into the ground, and other times for gathering the result of what he has done, and he knows that he is to wait patiently, and that while he is waiting, he must be at work. It is one of those universal laws with which everyone is familiar, and no one expects to plant wheat one week, and see it turned into flour the next. A number of months are to intervene, and there is some work to be done during that time.

“The railway supply business is not subject to special laws. There is a time for planting, and a time for harvesting, and you cannot plant when you harvest. The individual railway supply manufacturing company which has something of merit must interest the railroads in its special equipment,—must demonstrate to them that it has something

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that is worth while,—something that is of advantage in railway service.

“The first thing is the right kind of publicity which will gain the favorable attention of the possible purchaser, and there is no better time for the gaining of such attention than just the present time. Railroads are not busily engaged in buying, but they are busily engaged in giving serious and constant consideration to lessening the expenses of operation. They are looking more earnestly today than ever before for material and equipment which will give the very best kind of service.

“They are more apt today to listen to the arguments of a man who, with a higher first cost, has something to sell which will insure a lessened maintenance expense, giving in the long run the best service for the least money. The railway supply manufacturers who appreciate the fact that conditions are ‘spotted,’ and who at the same time realize the opportunities for the right kind of publicity,—that is, the correct methods of bringing their equipment and material before railway buyers, are going to reap, after a few months, according to the perfectly natural law, the results. One of the oldest and leading railway supply manufacturing concerns are taking advantage of the present conditions in railway purchasing to advertise more care-

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fully and more thoroughly that which they have to sell than they have ever done in the past.

"When the snow is off the ground, and the first signs of spring are in the air, the farmer begins his plowing. The ground is wet; the days are cloudy,—sometimes dreary and chilly, and while the sunshine alternates with the rain, there is nothing to suggest anything in the way of harvest. Yet the farmer knows that the harvest days are coming. He does not wait for them to arrive, but does his sowing, so that he may take advantage of the days which are sure to come. The railway supply manufacturer has something to learn from the farmer."

"I protest," said the sales manager. "Are these luncheons held specifically and entirely for the purpose of allowing the autocrat to do all the talking?"

"Now, don't get excited," said the treasurer. "We all know that you wanted to talk today, but you save your energy for that ten thousand dollar talk that you have got to put up this afternoon if we are going to get that order from the X. Y. Z. Railway, and we want it, and we need it, and we must have it. Moreover, it would add a whole lot to the pleasure of the president's vacation."

"Do you mean to say," I asked the treasurer,

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“that the ‘old man’ wants a report of the business while he is away?”

“He certainly does,” said the treasurer.

“Well, he knew better than to ask me for it,” I replied. “I think of all fool things, keeping track of one’s business when one is on a vacation is the most foolish.”

“You don’t dare tell the ‘big boss’ that when he gets home,” said the sales manager.

“I am going to tell it to him in a telegram this afternoon,” I snapped back.

“I will just gamble you the price of tomorrow’s lunch that you don’t do anything of the sort,” said the sales manager.

“And I will take you for lunch the day after tomorrow,” said the senior vice-president, “if you persuade our worthy chief executive to forget business while he is on his vacation.”

They both lost, which only goes to prove that our president is a bigger man than they thought.

XXXVII.

A MATTER OF PRINCIPLE.

There is something about the act of eating that makes most men talk more freely at such times, and a business man will enter into a conversation with another business man across the lunch table with more freedom,—with less reservation, than across the desk in the business office. Possibly this is due to the fact that on one side of the office desk sits the man who has something to buy, and on the other side sits the man who has something to sell. This may explain the reason why many good salesmen attempt to substitute for the business desk, the luncheon or dinner table. Possibly there is more of a feeling of equality as well as good-fellowship when a cloth, silver, and dishes cover the bare woodwork.

This, however, is all by the way, but it suggests itself because of an instance reported by our sales manager the day he paid for our lunch.

He was telling of an actual conversation between a couple of supply men,—one on one side of the lunch table, and one on the other. It occurred only this week, and, as usual during the present lack of orders for the manufacturer of railway supplies, this subject was uppermost. As to when

there would be business, and how much there would be when it did come,—this is of interest, but not just exactly what we want to bring out at this time.

One of the supply men had just taken on a new line,—taken it on to sell of course, but as a matter of principle with him, he wanted to know that that which he was going to sell would do that for which it as intended, and he told how he had been spending the forenoon in having an independent and unbiased test made of this particular equipment, in order that he might really know that the claims made by the manufacturers as to what could be expected by the user of the equipment were true.

“A matter of principle,”—is there a growing tendency on the part of railway supply manufacturers not to take another man’s “say so,” but to find out for themselves that what they sell is exactly that which they represent it to be? If this is the case, has it come about because of an awakening of the business conscience of the nation, and a gradual rising to a higher plane of business dealing, and is there accordingly being established a moral code in business? Possibly this may be the answer,—or have wise, shrewd, far-seeing business men who manufacture railway supplies come to feel that the success of their business, not for today but for tomorrow, rests upon “delivering the goods?”

This is an interesting question, — interesting

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whatever the reason or reasons may be:—we will not attempt to discuss it further. The suggestion is for the reader. We are simply giving the incident. However, in these troublesome days of railway legislation, and lots of it, doesn't it speak well for the railway officer who buys that the railway supply manufacturer who sells is conducting his business in a high, broad and fair-minded way? In the very nature of things, a manufacturer of railway supplies, who is the seller, is reflecting very largely the attitude of the railway official, who is the buyer.

"This question of whether what you are selling has merit or not," said our senior vice-president, "is suggestive of something else. A salesman who takes the attitude that he will not sell a railway appliance unless it has merit is pretty strong evidence of the fact that such a man is a good salesman. I didn't say 'clever'," he continued, shutting off the sales manager, "and I believe that one of the greatest achievements in the management of any great industry is the getting together of a high-grade staff of salesmen. It is a work requiring experience, good judgment and time. The value of such a staff is not to be measured by salaries. Men who draw good salaries in such positions are generally worth the money—sometimes vastly more than the salaries paid. In a business which is subject to 'ups

and downs,’ and which is a feast or a famine, the manufacturer saves and makes from a high-grade staff, far more in good times than he loses by paying the same salaries through dull times.

“It is, therefore, a duty to keep such men, even when they are unable to produce immediate results. It is, moreover, to his self-interest. In a business which swings like a pendulum from one extreme to another, preparedness is the very essence of good management. You can’t pick up the best men for the job on a moment’s notice, even by bidding up on salaries. The efficient man will need extravagant inducements to lead him to desert a concern which stood by him when he wasn’t earning all that he was getting.

“I remember in the panic times of 1898, everybody had cold feet and was cutting off everything that could be cut off that some of our competitors and those in allied industries were dropping their highest-priced and hence best men. I had the nerve to pick and take on a considerable number of such men and thus obtained a splendid force. Business turned and we got the benefit. Before others could get any kind of men into the field, we had a high grade staff ‘right on the job,’ and we received in immediate results much more than all it had cost us to carry them. And we have kept such a staff as we never had before, and could hardly have ob-

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tained at any time except for the nervous fear and lack of faith of our competitors.”

“I guess this is where I hold my job all right,” said the sales manager, “at least as long as the senior vice-president is in the chair,—so here’s good health and prosperity to the president, and may he take a long vacation trip.”

“You better not depend too much upon what the senior vice-president said,” I replied. “Remember he is talking about high-grade salesmen.” And then I got out of the dining room before the sales manager had a chance to get back at me.

XXXVIII.

ARE THE CLOUDS BREAKING?

"What's this," said the shop superintendent, "our lunch all ordered for us? I want to do my own ordering."

"Of course you do," said the junior vice-president. "A man who is superintendent of a shop with a lot of men under him gets in the habit of ordering everything and everybody."

"You just step into line now in the procession, and keep still, and don't make any remarks, and take what's coming to you. That's what a man gets in the final analysis of things anyway. Don't but or—butt. It won't do you any good," I said to him. "Our worthy senior vice-president evidently has a little surprise in store for us, as I saw him talking to the head waiter when we came in."

By this time our waiter had arrived with a luncheon which proved to be fish caught by the president and expressed on to the Club so that we might have a special treat.

"But I get fish tonight at home," said the shop superintendent.

"If you don't stop fussing around here," said the sales manager, "there's going to be a new face in the shop of the —— Railway Supply Company,

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and it won't be the face of a man who objects to eating fish either."

"You have no business," I said to the shop superintendent, "to have fish at home on Thursdays anyway. Friday is the day."

"Haven't you been married long enough," he said, turning on me savagely, "to know that a man hasn't anything to say about what he gets to eat?"

"Come now," said the senior vice-president, "here's a special treat that the president sent us to cheer us up while he is away, and if we are not careful it will start a free fight."

"Why don't the autocrat talk about something? He is always so chuck full of fool ideas," said the sales manager. "That might relieve the tension."

"All right," I replied. "Here goes: We know that it is darkest just before dawn, but, at the same time, when it gets so terrifically dark, it is hard to convince ourselves that it will ever get light again."

"That seems to hit our situation," laughed the junior vice-president.

"Silence," said the treasurer, rapping on the table with his knife. "There will be trouble again."

So I went on.

"This is about the feeling just at present in the railway supply trade. Every man questions every other man whom he meets. He wants to know if there are any signs of promise. He examines every

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straw with a microscope to see if there is any wind blowing it, and to see if he can discover the direction of the wind.

“Last week there was a little rift in the clouds, and a ray of sunshine shot through in the shape of any authentic report that one of the big railroads had released over two hundred orders which had been held up for some months past. These orders covered supplies and equipment of various kinds. The same road was also figuring on freight cars. Of course there are a few roads figuring, and that part of the authentic report is not so interesting as the fact that the large number of orders was positively released. With this comes the rumor that orders are going to be placed now by many of the roads, and the equipment which is specified will be bought to be paid for after the end of the fiscal year, June 30th.

“Not that we would intimate by any manner of means that railway supply manufacturers are going to be swamped by a number of orders that are to be placed in the near future. Far be it from us to suggest a feast like that following a famine of many months. We have not been optimistic at these luncheons, and we have not been optimistic with ourselves, simply for the very good reason that we could see nothing to be optimistic about. However, we have reserved the right to become opti-

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mistic at the slightest indication that business was to pick up.

“There is evidently every good reason to believe, from the way a number of straws are blowing, that there is to be a reasonable resumption in the purchasing on the part of railroads. We do not feel it within our province to go into all the many reasons of causes that are leading up to what we believe is a resumption of railway purchases. We are simply stating how we feel. We want to make more special reference to the attitude which we should take as railway supply men toward the slowing up of business, and the apparent prospect that it is to swing back again to more normal condition. Many manufacturers are running their plants at half their output and less. They are figuring on every possible way of economizing, and that we should do so is only good business. Whether we are right in thinking that the pendulum has come to a stop on one side and is returning, or whether it has not yet reached its limit, is something that can only be guessed at, and while we speculate as to conditions and as to the future, there is no reason why we should allow all of our time and energy, or even a part of it, to be consumed in watching for the first small break in the dark clouds which overhang the business of the railway supply manufacturer.

“Business sometimes comes back, with the re-

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turn of the pendulum, with terrific force and in large quantities. The question of capacity and delivery may within the next year amount to a great deal in the securing of orders from railroads. The railroads need new equipment; they are frank in acknowledging this, and they are equally frank in admitting that they cannot afford to spend the money just at present. When they get the money, or when they know where they can get the money, it is not going to be buying in dribblets, but buying in large quantities. This necessarily must be so, because their needs even now are large. The granting of the five per cent rate increase, or the settling of the spotting charges, mean the possibility for the railroads of paying more adequate returns to their stockholders, and an opportunity for them to borrow money safely, and as money can then be obtained in large quantities, the buying is apt to be equally great.

“Is it not therefore wisdom on the part of the railway supply manufacturer to ‘set his house in order’—in other words, clean up his manufacturing plant—go over it very carefully, look into every corner, and see that it is being operated to a maximum of efficiency, so that when orders do come, he may be prepared to get from his plant the maximum output, and take every advantage of better business conditions?”

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“Well, that was pretty good fish, after all,” said the shop superintendent, as he got up from the table.

“Don’t make any remarks; just get back to work, or the autocrat will begin talking again,” said the sales manager.

XXXIX.

LETTING OUT GOOD MEN IN DULL TIMES.

"You remember our talking about retaining a good salesman during dull times?" asked the junior vice-president, as we began our lunch the other day.

"Yes,—and we decided it was a good thing to do, didn't we?" said the sales manager.

"With special emphasis on the kind of a salesman," I interrupted.

"Well, I want to talk today," said the junior vice-president, "because I have something to say."

"You've got every chance if the autocrat will keep still," said the sales manager.

I said nothing, so our junior vice-president went on with his story.

"Three or four years ago a railway supply concern, well known, prosperous, making good things for the railroads, brought out something new. Like many another new thing for the railroads it needed development in service in spite of the fact that the basic principle was a correct one. To make a success out of this special appliance meant that someone who knew railroading, and the special branch of railroading involved, must live with this particu-

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lar equipment, literally night and day, in order that the little unimportant failures might be remedied, and that the thing which was right in the main might become altogether right.

“As many another railway supply company has done, this particular manufacturer looked about among his acquaintances who were railroading and picked out a young man who had made a good record with a railroad company, and who knew thoroughly that department of railroading which was to make use of the manufacturer’s appliance. The railroad man stepped from railroading into the railway supply business. He took hold of a good railroad specialty, ironed out the wrinkles in it, smoothed out the kinks, fitted it into the railroad service, and there is no question but that appliance is a splendid thing for the railroads, and a splendid thing because this railroad man, with the idea of bettering himself, went into another field.

“You will remember that as we talked it over at lunch the other day, we decided that ‘Jim’ had been a very valuable acquisition to this railway supply manufacturer, but due to present conditions he was advised to look for something else. Of course, that is only business. An employer has the right to discontinue any arrangement he may have with an employee when the contract has expired, or if there is no contract, after giving due notice; and in this par-

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ticular instance, perhaps the employer had gotten out of this employee the greater part of his value. He got the right kind of a man to live with his appliance until he had it adapted to the conditions under which it must operate on the railroads, and now in the future it is more a matter of salesmanship, pure and simple, than it is a matter of salesmanship plus special knowledge of the thing to be sold.

“I am not criticising for a moment the employer who dispenses with the services of an employee, nor would I criticise the business judgment in this special instance. It is a question as to whether it is not better in times like these to make a reduction in salaries all round, rather than to give up entirely some one or two men who are really essential to the business. That is, when conditions are normal (and normal they are going to be in the not very distant future), we need to have our organization in good working condition in order that we may take advantage of returning business, for organizations—manufacturing and selling organizations—cannot be built in a day or a month, sometimes not in a year. If because a railway supply concern cannot afford to keep up its sales expense during dull times, isn't it better to reduce salaries to the necessary amount, maintaining the sales organization intact? Then when times are good, raise salaries in

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keeping with the amount of business; or possibly better yet would be a minimum salary scale maintained through good years and bad, and a bonus for the salesmen when conditions are such that they can largely increase the sales."

"Of course," I said, "it looks to us as though this particular concern had made a mistake with this particular salesman. The wise salesman right now is an exceedingly busy man. There is plenty to do, not in the actual getting of orders, but in the getting into condition where orders may be obtained when there are orders to get. No railway supply salesman has a perfect acquaintance, or a perfect understanding, with all of the railroad men with whom he is doing business, and there is no better time than right now to perfect himself in this direction, and the reduction of his salary is not likely to increase his enthusiasm nor his capacity for larger or more efficient work. Every man feels that if he is doing good work, efficient work, and is capable and energetic, he is entitled to be paid for such work, even though conditions are such that he cannot earn as much for his employer as he could if general conditions were better. Now there are two classes of employers. One class of employers refuses at all times and under all conditions to reduce salaries. The other class of employers decides that it is good business policy at times to reduce salaries.

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From a business standpoint, which class of employers is right in their business judgment? An employer wants to get the best salesmen, appreciating the fact that a good salesman at any price is better than a poor salesman, no matter how little he is paid, for a poor salesman very often will do more harm than good—will lose business rather than create it.

“Look at it from the salesman’s viewpoint. He is working today for a concern that decides, because business is poor, that the wise thing to do is to cut his salary. A good friend of his is working for another concern as a salesman. That particular company adopts the policy of maintaining salaries. Business gets better, as it is bound to do, and both types of employers find it advisable to branch out, and the fellow that had his salary cut listens very carefully to a proposition from the employer who he knows does not and has not cut salaries, and decides to leave his old concern and go with the new one. It would seem in the long run as though the man who refuses to cut salaries in times of depression would be the gainer. He is a man who is going to have the pick of the best sales ability in the railway supply business.

“Perhaps the man who cuts salaries now has an idea that the proper thing to do is to sit down, and after he has sat down, to sit tight and refuse to do

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any sales work simply because there is no immediate business in sight. If the average business man had the faith of the farmer who plows the ground and sows the seed when there is nothing, absolutely nothing to indicate the harvest, he would be having his salesmen at work now and prepare for the business harvest that is bound to come.

“For a good many years there have been individuals, or groups, or societies of people, mainly of some religious order, who have figured out the end of the world. We don’t pay much attention to them nowadays. They have prophesied the end of everything so often that they have laid themselves open to ridicule. To hear some business men talk we might naturally conclude that while the end of the world is not scheduled for next week, it was coming within a month or two. There is no use of arguing such a question. We are entitled to our own opinion, but for our part we don’t believe in the end of the world, that is not for a few million years anyway. We believe in advertising NOW. We believe in getting the manufacturing and operating departments in our business well organized NOW. We believe in paying our salesmen just what we have been paying them and keeping them energetically at work NOW. We believe in operating our business strenuously in every way NOW. And we believe that if we do some of these things

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NOW we will get the benefit of so doing later on.”

“Now you have said something worth while,” said the sales manager. “I will take it all back that you talk too much, Autocrat. You do sometimes, but I would be willing to listen to you for an hour right along those lines.”

“I know you would,” I replied, “because I am talking about something that you think is to your interest. Be broad-minded enough to see the other fellow’s interest and the other fellow’s viewpoint, and always remember there are two sides to every fence.”

“You mean two sides to every question,” said the sales manager.

“I said exactly what I meant,” I replied. “There are two sides to every fence.”

XL.

THE PLANT BEHIND THE PRODUCT.

"In these days of economizing on the part of railway officers in the purchasing of railway supplies, there is always a danger that apparent economy may be mistaken for real economy.

"Two men build a house under practically the same specifications as to size, material and design. One man accepts the highest bidder and pays \$6,000 for his house. The other man takes the lowest bidder and pays \$5,530, and when the houses are finished one house is just as good as the other; but is it? Three years after the houses are finished, the man who took the highest bid finds that his repairs have amounted to \$115. The man who took the lowest bid has replastered three rooms where the ceilings have fallen, had to tear out part of his plumbing, has had to reset his fireplace, and has had water in the cellar, and his repair bill is over \$700. This is not a suppositious unusual case. It is experienced by every man who builds."

"What are you getting at now?" asked the sales manager. "We are not in the building business."

"It is possible, however," I said, "to learn something from the building business, or from the act of building a house. The principle is the same in

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building a house as it is in building a railroad and the purchasing of material that goes into its construction, maintenance and operation. In buying from the lowest bidder the purchase is apparently economical but the service rendered must be taken into account before a final decision can be reached as to true economy of the particular article.

“Railway supply manufacturers must necessarily make a profit upon that which they sell to railroad companies. Otherwise they cannot continue in business. In the purchasing of equipment for the railroads, as a general rule something has to be taken into consideration, aside from the weight of the material purchased. There are, of course, many staple articles that can be bought on the price per pound basis, but not everything that goes into railway equipment can be bought by that method if true economy is to be practiced. A railway officer, in buying equipment, should look not only at the appliance or material which he is buying, but go beyond that and consider the manufacturing concern from whom he is buying.

“In any business there are certain concerns, not necessarily large ones, who are originators and pioneers in the manufacturing of certain classes of product. They make what they have to sell to give service and exercise the greatest care in the manufacture of their product, and spend time and

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thought and energy and money in developing their product to the very highest degree of perfection; and because of their thorough honesty of purpose, they are successful in their particular undertaking. The success of such a concern is always responsible for competition from another class of manufacturers who are simply in business for what they can sell at the time, making the basis of their selling arguments the price, copying as closely as the patent laws will allow that which has been originated by a pioneer concern, doing the work just barely well enough to pass first inspection by the purchaser and having no thought of giving service.

“ ‘The plant behind the product’ is a familiar expression, but should not for that reason be overlooked by the purchaser of railway supplies in the buying of his material. The plant that has been for years turning out a certain product, of which it was the originator, which did the pioneer work in a certain field, should, other things being equal, turn out the best product. The railway supply manufacturer is an outgrowth of the needs of railway operation which is becoming each day more complex. The signal engineer, for instance, is a man with multitudinous duties to be performed in connection with the moving of trains. He has a constantly increasing number of problems which have to be solved. If he performs his regular duties

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in connection with railroad service, he has not the time for the solving of these problems. He, therefore, goes to the expert for help. The expert is the manufacturer of signal apparatus, who, unannoyed with the duties incident to the office of the signal engineer, can give his entire attention to the solving of these same problems, and the problems are many. They are not solved by any one manufacturer or any group of manufacturers. There are many different groups at work simply upon the problems which present themselves to the signal engineer, which is only one of the many departments of railroad service.

“One of these groups, we will say, is at work endeavoring to solve in the most satisfactory manner, the many problems which are incident simply to the signal lamp. Now there are manufacturers of signal lamps who are earnestly endeavoring, and have been for many years, to develop a lamp which shall give the best service and at the lowest possible cost to the railroads. They have been at it for many years, have many men in their employ who have given a lifetime to originating and developing the signal lamp. It is from such a manufacturer as this that the railroad officer can buy and in so doing practice real economy.

“With the growth and success of the manufac-

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turer who has been the pioneer and originator, comes the growth and success in a small measure of the imitator. While imitation is the sincerest flattery, it is the kind of flattery that is not sought after. Such imitative manufacturers manage to exist due to the fact that there are always a few railway officials who will buy material on its looks and its weight. If scientific economy is to be practiced in the purchase of railway equipment, the railway officer must go back behind the product to the plant from which it comes; its history, its reliability, and its reputation for fair dealing. It is recognized that it is not safe to buy on price alone. In a quite important sense, also, it is not the highest wisdom to buy on price and merit of the appliance without considering the character of the manufacturer and the element of permanency in his business. All three considerations should be given due weight and none of them can be fairly ignored."

"Our autocrat is getting better," said the president. "That is as good a talk as I have ever heard him put up."

"It's a good talk all right," said the sales manager, "but I will bet that he couldn't get that off to a railroad man. It's one thing to sit here at this lunch table and give one's ideas to a sympathetic audience, but it's another thing to go out and have

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to beat up a railroad man to get him to listen to you.”

There is some truth in what the sales manager had to say, but I didn't admit it to him.

XLI.

CONSIDERATE TREATMENT OF THE OTHER FELLOW.

We were all together in the dining car the other day coming home and the man across the aisle, while waiting for the waiter to bring his change, put on his hat. Now he wasn't a farmer; a farmer wouldn't have done such a thing. Don't think because a man is brought up in the country he doesn't know anything. Most of the men who know how to do things in this land of ours were brought up in the country. This fellow was evidently a business man, evidently living in the city; you can tell a city man by some of his mannerisms. The dining car was crowded with men, women and children and the waiter had his hands full and it must have been five minutes before he got back with the change. What the man with the hat on said to the waiter is hardly worth repeating, but what our president said about the man with the hat on I think should be made a matter of record.

We had ordered our luncheon and naturally were waiting, as one always does in a dining car, and our president said absolutely nothing, but he looked at the man, and looked at him hard, then looked out of the window and then looked at the

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man again. Finally when the fellow had left the president looked across the table at me and said, “Now, Mr. Autocrat, what do you think of a man who won’t observe the ordinarily polite things in life?”

“Well,” I replied, “he might have been preoccupied; perhaps he is the kind of a man who handles his employees as though they were slaves, and in that way gets into the mental frame of mind where he has very little regard for the rights or feelings of others.”

“Perhaps he has an unselfish wife,” broke in the senior vice-president. “There is nothing like that for making a hog out of a man.”

“Well, I don’t know that I ought to be quite so stirred up over a little thing like a man putting his hat on in a dining car, but it just happened to hit me the wrong way,” said the president. “There is a tremendous lack of consideration of other people in the business world and some way I have had it rubbed in to me more than the usual number of times within the last week or ten days.”

“Did anything go wrong at the conventions?” asked the junior vice-president.

“Oh, no,” said the president, “everything was all right down there, possibly I might say it was the very reverse, speaking from the treatment we received from the hotel men. They are ever consider-

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ate, always looking out for us, but we are always willing to treat people with consideration when by so doing we are making money out of them. But why shouldn't a man be a gentleman in business just as much as he would be at a reception, or at his own club, or in church. I won't say that they are always considerate in those places, but they are more apt to be. I have an idea that the man who just left the dining car showed his character by the very act of sitting there for five minutes with his hat on. If he had put his hat on and then taken it off, I simply would have thought that he was absent-minded, but I think it's a case where one little incident gives the key to a man's whole attitude in life. You know there are some people that never have any consideration for the man from whom they are buying, and every consideration for the man to whom they are selling. I think the man who makes any difference in his treatment of others, whether he is buying or selling, makes the greatest mistake in the world. In the first place he may not always be buying, he may be compelled some day to sell, and an unpopular buyer never makes a popular salesman."

"Don't you think," I asked, that the man who is always buying is not always considerate of others, due to the fact that when he is considerate he is so

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often taken advantage of by people who want to sell him something?”

“Yes, that is true,” said the president, “but a man can be a gentleman and still turn people down. You know some buyers have a faculty for giving another fellow the order and treating you so nicely that you feel more kindly toward him than you do toward some other man who gives you an order.”

“That’s one of those fellows,” broke in the sales manager, “that does it in such a condescending way as if he was giving you something and getting nothing in return. The fact of the matter is, not only the salesman who sells should be grateful for the order which he has taken, but the buyer who buys from him should feel under obligations to that salesman for selling him something which is going to be of greater value to him than anything else that he could buy.”

“That’s all good theory,” I remarked, “and I am not going to say a word against it, especially in view of the fact that I have been the recipient of remarks at various times, suggesting the fact that I am given mostly to theorizing.”

XLII.

PROVING ONE'S OWN IDEAS VERSUS LOOKING WITHOUT BIAS FOR FACTS.

"Say," said the sales manager to the junior vice-president, who, as you will remember, is our mechanical expert and the fellow to whom we all go to really find out what we know about our own appliances, "we are in bad on that machine we shipped out to ——— railway shop two months ago."

"What's the matter?" asked the junior vice-president.

"Why, the Master Mechanic says the blame machine won't do the work. He has kept a careful record and had good men on it, and he says the facts in the case are that it won't do more than half what we claimed for it."

"I have found," said the president, "through years of experience, that a man can generally prove what he wants to see proven."

"That's just it exactly," said the junior vice-president. "That fellow never believed that our machine was any good and he has certain ideas that he wants to believe, his mind is not open to facts, and he is unable to judge of anything without a certain amount of bias."

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“Well,” I remarked, “it takes a pretty big man to look for the facts, and with an open mind. We are all of us more or less prone to look for something to prove our own preconceived notions on any subject. We put ourselves in a position generally of attempting to bolster up something that we believe and we are very apt to believe it without any special reason. I don’t know just why this is so common a trait in human beings generally, and an argument with a man to change his belief, and an unreasoning belief at that, is only apt to set him still more firmly in his convictions. It is one of the hard problems that a salesman has to meet, and meet continually.”

“You can’t argue a man out of his biased or prejudiced notions; you have to tease him out of them,” said the sales manager, “or make him believe that what he is doing is what he wants to do when it really is not.”

“In regard to this special case,” said the junior vice-president, “this Master Mechanic is dead wrong and we know it because we have a good many of those machines out. It was only last month that I was in another shop and with the foreman spent a good deal of time going over his records in regard to our machines, and watching some of the actual work done. Now this foreman was really biased in favor of our machine and

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thought they were doing things that they really don't do. He was going just as far the other way as this case that the sales manager reports, was going in the opposite direction. Now to take the record from the shop where they are pleased with our machine and show it to the Master Mechanic who thinks our machine is no good, would simply get us in bad and make this Master Mechanic even more determined to prove that he is right and we are wrong."

"Well, Mr. Autocrat, suppose you tell us what to do in this special instance," said the president.

"He can't," said the sales manager, "he is no salesman and that is what the situation requires."

"Thank you," I said to the sales manager, "but as long as the president has requested me to give my opinion I am going to give it. I will admit that I am not a salesman and we only have one member of this organization who is entitled to such a degree, but out of my ignorance and inexperience I am going to venture a suggestion and that is this. Find out from this Master Mechanic just what his objections are."

"Oh, he thinks he knows how to build the machine himself," said the junior vice-president.

"All right," I replied, "let us build one according to his design and specifications. That will flatter him and ought to flatter him enough so that he will

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keep the first machine we sold him, and we can sell him another and probably make a larger profit on it than we would ordinarily make.”

“Is that doing right by the railroad?” said the senior vice-president.

“Yes, I think it is, because we are educating this Master Mechanic so that he will be worth something to the railroad before we get through with him.”

“You think, then,” said the treasurer, “after we have educated him he will stop attempting to prove his own ideas and look simply for facts, and without bias.”

“Well, I think we can get him started in that direction,” I said, “but I would hate to guarantee getting any man to make the whole trip.”

XLIII.

VACATIONS.

"You see that old fellow sitting down there at that table," said the senior vice-president to me yesterday at lunch.

I admitted that I did.

"How old would you think he is?"

"Well, he looks about ninety-five, but I guess he is not over seventy."

"Fifty-one last birthday," said the senior vice-president. "Just one year younger to a day than I am," he added.

"Well, what is there about him especially?" I asked.

"Just this—he makes a boast that he has never taken a vacation."

"Well, he looks it, and he ought to keep still about it."

"Keep still about what?" asked the sales manager.

"Keep still if you never take a vacation," I replied, and told him what the senior vice-president had been telling me.

"I am just in the mood," said the president, as he finished his lunch, "of hearing the autocrat give

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us a little talk on vacations. We are all of us going to take a vacation down at Atlantic City.”

“Vacation?” fairly howled the sales manager. “You don’t call going to the Conventions being a vacation, do you?”

The sales manager’s face showed such evident signs of disgust that the president laughed, and we all joined in.

“Well, I will take back what I said about the Conventions being a vacation if you will let the autocrat tell us what he thinks about vacations.”

“Do you know,” I said, “it is getting to be something of a strain on me to feel that I have to make an after-dinner speech every day after I get through with luncheon.”

“I guess it would be more of a strain on you,” said the president, “if we didn’t allow you to talk, so go ahead.”

“We are all of us acquainted with the man who never takes a vacation. He is making money, too,—a whole lot more than we are. He is the kind of fellow who by the time we think of getting up in the morning has been down at his office and at work for an hour. In addition to doing other important things, he has opened all the mail by himself, and saved the envelopes for scrap paper. He has probably in the course of a lifetime saved three or four hundred dollars by his care in these small things.

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He is economical in other ways too. When you go to call on him you always tell him that you do not smoke. You don't, either,—that is, the kind of cigars he will offer you. The chances are he won't offer you one.

“Still, I think men of this class are getting less common. Golf has broken up the anti-vacation habit to a certain extent; yet an occasional afternoon playing golf is not a vacation. It must be granted that it is a rather hard matter for some men to take vacations. I can see how, in the strenuous life of railroading, it is pretty hard for a man to get away.

“I am not a railroad man, and never have accustomed myself to getting my relaxation from a hard day's work by sitting up and working two-thirds of the night, nor by working three hundred sixty-five days and nights in the year; and some railroad men have been caught trying to work in extra leap years when no one was looking. But a railroad man can do all this, and does do it. He probably has to do it in order that the railway management can keep the income a little over the outgo, so that the directors can declare dividends at the end of the year. Possibly we have formed the habit of thinking that railroading is something like war; a certain number of men have to be killed off anyway. The only difference is that in a battle it isn't the general who

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gets killed or wounded, but the fellow out on the firing line, while in railroading the higher the official, the harder the work,—the greater the responsibility and worry,—and it's the worry that kills.

“Away from the railroad, and way away from it, back into the virgin forest, not for one day, but for a number, is the place for the railroad man to go for his vacation. It's a good place for any man, but it's the best place for the railroad man, because he needs it most. You can't get a good vacation in a hurry, nor without some expense.

“What the railroad companies ought to want from the men who are operating our railroads is maximum efficiency, and you can't get this from a constant, never-ending, night and day and Sunday service, every moment of the time. The unimportant routine things and details can be taken care of without any very great expenditure of vital energy. But at crucial times, when emergencies come, we need to be in the best physical condition and in possession of all our mental faculties. It's the vacation that puts a man in this condition and keeps him there. It's the vacation that runs him through the year and enables him to successfully meet any emergency. If everything went along smoothly, and if our daily life was that of our grandfathers, who worked the farm in the summer and relaxed all through the long winter months, a vacation

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would be unnecessary. If we ran our trains the way we did three generations ago, traveling at the speed of the stage coach, we wouldn't need a real, twentieth century vacation,—but we don't. We are traveling faster today in every way than ever before, and we are constantly spending a lot of time and money in figuring out how we can increase that speed. We need to relax."

"The autocrat has put up a first class argument," said the president, "and on the strength of that he is entitled to whatever vacation he thinks he ought to have."

"All right," I said, "I am going to ship my car down into New York state when I go to the Conventions, and then when the 'Big Show' is over, I am going to start on a trip through that state, and go to every place where I ever lived or visited when I was a small boy."

"That's a sign you are getting old," said the president, "if you want to go back to scenes of your early childhood."

"All right," I said, "but I am going to do it just the same."

XLIV.

CONVENTIONS—THE HOTEL PORCH.

“Well, does our booth look all right?” inquired the junior vice-president.

“It looks fine,” said the president, “and you are to be complimented on the taste which you have shown in arranging it, and the care which you have taken in displaying our appliances, which of course is the main thing that we are here for.”

We are all of us too busy to see much of each other at meal time, but we did have a talk one evening, and there was an old-time railroad man with us. He got to telling of some of the old days that went back,—before Saratoga or Old Point Comfort, and we got to talking a good deal about the exhibits and how they have grown, and what important features they had come to be at our Mechanical Conventions.

“I have come to feel that we really get more out of our exhibits,” said the railroad man, “and from a lot of our little discussions on the porch than we do in the Convention Hall. It is the actual rubbing of elbows after all that counts the most. We can read the papers presented and the reports of the discussions, but it is all rather cold and uninterest-

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in the reading as compared with actually being in it."

"Don't you think," our president asked the railroad man, "that the big value after all is in the fact that the railroad man and the railway supply man come to a better understanding and appreciation of each other because of these Conventions, and, although we are on opposite sides of the fence, we are both working for the same end, viz: the constant improvement of railway service. There are lots of little things, and big things too, that we get straightened out right on the hotel porch. I have often noticed as I have walked around from year to year and joined myself first to one group and then another, that in almost every instance the railway man and the railway supply man were talking together earnestly and discussing seriously the problems which are always uppermost in their minds."

"I think," said the railroad man, "that the biggest lift that we get during the year for the improvement of railway service is right here at these Conventions. Of course, there is a value in the meetings at the Convention Hall; there is something decidedly worth while in the exhibits; but after all, the big thing is the better understanding and the spirit of co-operation which grows out of these annual meetings. We have come now, because of the years that we have been getting to-

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gether, to the time when we have traditions, and when any organization or any group has traditions, they are the better for them. I think there are many men in both the railway and the railway supply end that form a part of the big family, for it is a family. Of course, we gain to our family circle more than we lose from it. The group, however, has the same spirit,—the same idea,—the mutual helpfulness that it has always had. The old personalities are lost, but the effect of their work remains. Newer personalities are coming in, imbibing the spirit of those who have built up railroading, and now in turn they are doing their part. I feel that most of my work is done in connection with our Mechanical Associations, and I am glad to see the younger men stepping in and carrying on the work in which I have had a part.”

“Don’t you get a whole lot out of these Conventions,” asked the president, “from meeting other railroad men, as well as the railway supply men?”

“I most certainly do,” he replied. “It is the comparing of experiences that is the biggest help to railroading. Of course, what will work out successfully on one road may not on another, but, in a general way, our perplexities and problems are much the same. It is true that we get these answered very largely in the proceedings of our associations, but we have to go further than that, and it

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is the making and comparing of notes, one individual with another, that gives each one of us a tremendous help and an impetus for another year."

The little party broke up, and the senior vice-president and myself started out at midnight for a ride of the entire length of the board-walk. What we discussed would lead us so far away from what naturally belongs in these discussions that necessarily it must be omitted. Here in a word is what the senior vice-president told me he saw in our Conventions; he believes that the greatest good in them is the growth of the spirit of co-operation. He contends that when co-operation is practiced to its fullest extent in all things pertaining to life, as well as business life, that we will then have reached the millenium. Of course that is a long way off, but certainly co-operation is going to be a big help in hastening that time.

XLV.

VALUE IN EDUCATING ALL CLASSES OF RAILWAY MEN.

We have a young fellow in the office—we took him out of the shop last year because he seemed to be a pretty promising fellow. It has always been the policy of the president never to hire anyone outside, if he could help it, but to continually build up from within his own organization, drawing from the bottom and pushing men toward the top. His name came up the other day at luncheon when the sales manager brought up the point that so many of the railway employees seem to be entirely ignorant, not only of the appliances that we are selling, but of the appliances that are being sold by other supply concerns.

“Can’t we have some young fellow to go out and visit the shops, and be an educator?” asked the sales manager of the president.

“Can we afford to spend the money to educate railroad men?” queried the senior vice-president.

“It seems to me,” I said, “that we cannot afford not to educate them so far as our own product is concerned.”

“Why?” asked the president.

That meant that I was in again for my usual

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luncheon dissertation, which I don't mind if I can get through before the heavy work begins. As I was only half way through eating, I begged off from the president until I could get my cigar lighted, so when I had come to that part of the meal, which, by the way, is the pleasantest part of it after all, I began on the subject in hand.

Before repeating what I said I want to make a feeble protest against the custom of having the waiter strike the match for the man who is going to smoke the cigar. Of course, other people can do as they please, but I hate to be waited on at every turn. But more than that, and so far as the cigar is concerned, I like to hold it for a minute or two in contemplation of the pleasure of smoking it. I like to leisurely strike my own match, watching it burn for a second or two, then holding it just where I want it before I begin drawing on the cigar. If we keep on the way we are going we will wind up by smoking cigars by machinery.

I knew the sales manager was violently opposed to this idea of mine and not wanting to stir up any unnecessary strife, I didn't mention what I thought, but as to the value of educating all classes of railway men I said to the president, in reply to his question, "one of the most important things for us—in fact for most railway supply manufacturers who are making good appliances—is to have those

same appliances intelligently used and the only way to guarantee intelligent use of our own product is for us to do the educational work. Our competitors are certainly not going to help railroad employees to a better understanding of what we are selling. It would be only natural for them to help to a more thorough misunderstanding. There is no question but what we have lost business, not because of the lack of merit in what we had already sold to a railroad, but because the men who used this meritorious article had not the knowledge of how it should be handled. One of our appliances is successful upon one railroad and starts a string of repeat orders, and on another railroad, after months of energetic work on the part of the sales department, we get in one appliance and that is as far as we ever get. I do not think there is any answer to this but the fact that the men who used it handled it without any intelligent conception of just what should be done with it. Of course, railway employees know in a general way what all appliances are for, but we could hardly expect to spend years in developing something, the development work being done by high class and high paid men, and then expect this same appliance to be used to advantage by ordinary day laborers.

“Now that boy in the office, that we took out of the shop last fall, thoroughly understands what we

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have; he is bright and intelligent and ambitious and it wouldn't take him more than six months to a year to make a complete tour of the various shops and instruct two or three men at each division point as to just how to handle our appliances. I think the direct result of such work would be to give us repeat orders on the trial orders that we have placed. This would certainly be a much more economical and profitable way of getting new business than through our sales department."

"I suppose you want to have the sales manager fired next," said the treasurer.

"O, no, not at all. I want the sales manager or the sales department properly equipped, and the proper and necessary equipment of every sales department is a man, or men, to do educational work among railway employees that have to make use of the appliances that the sales department sells."

XLVI.

GROWTH OF LARGE CENTERS.

"There was certainly some jam down the street when I came over," said the sales manager. "I don't know what we are going to do if everybody is going to keep crowding into the cities. We will have to double-deck the streets and travel in air ships if the thing keeps on."

"You would be an advocate of the 'back to the farm' movement," said the junior vice-president, "if you should get into a crowd very often."

"I wonder what the reason is," I remarked, "that is responsible for such a large and rapid growth of our cities."

"There isn't any reason," said the sales manager, "just a lot of fool people come in here all the time when they might better stay out in the country."

"Let me see—you were born in the country, weren't you? Do you call yourself one of those fool people?" I asked him.

"Oh, well, I make a good living by coming to the city, and most of this crowd that tramples on you in the streets would make a better living if they stayed on the farms."

"Yes, but they may have some other reason for coming here," I replied. "You know each indi-

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vidual, just because of the way we are all constituted, is continually seeking happiness. I don't say that they are seeking it in the right way, or that many of them find it, but they are seeking it nevertheless and they have an idea that they can find it in the crowd.

"Now, in the earliest days in the evolution of man, human beings lived pretty much alone and by themselves. The first signs of progress toward civilization was the grouping together of people, and the development of civilization seems to be of a necessity accompanied by this grouping together, and the further the progress, the more general the groupings, and the larger the groups."

"All right, Mr. Autocrat, so much for the theory; now what have you to suggest?" asked the president.

"A pretty big answer, isn't it?" I said laughing, "but I guess it will have to be answered sooner or later, because even if the growth of cities is a good thing, we cannot have too much of a good thing without having an unquestioned evil. It is a pretty big subject for a lunch table discussion, and I can only attempt to answer a small part of it, which I will be glad to do as soon as I get through with my pie."

"Pie," said the senior vice-president. "What's the matter with shortcake?"

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“Didn’t have any today, and I don’t know how good an answer I can give, nor how much inspiration I can get out of pie. If I had had shortcake, I would be all right. Looking at it from the narrow viewpoint of our own business, has the time arrived when our own business, including in that the officers and employees of our own company, would be better off if we were not in a large city——”

“I see what the autocrat is driving at,” said the sales manager, “and I am going back to the office. I’m going now before he transfers our plant to Podunk Valley, or some other equally obscure place. It is bad enough to have a plant thirty miles out in the country now.”

“I don’t know that it will do the sales manager any good to remain,” I replied. “He might just as well leave, but I want to say that I think the solution of the big city problem is going to be found in doing something similar to what we did in this business a few years ago when we moved the plant to a distance thirty miles from the city. We are on the line of one of the big railroad systems; we can make shipments promptly. We are in touch with the outside world through the telephone and the telegraph; we are not far from the city by train, or even by automobile. We can keep in touch with what is going on and meet competition. The land

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that we occupy we obtained at a much lower price than what we could get in a crowded center, and we are getting an immense advantage, I believe, from cheap land not alone for our plant and the interest charge which we save on investment, but we are getting cheap land for our employees.

"If there is any one thing that is the curse of our civilization, it is the apartment buildings. An adult can stand it, but children should be brought up in the open. The children of our employees have all the advantages of outdoor life, good schools, and comfortable homes, which mean health and knowledge, the two important things which spell opportunity for each individual. I cannot see any reason why hundreds of manufacturing plants in this city could not be picked up bodily and transferred out in the country, to the advantage of each individual business. The pendulum has swung far over to the side of the large industrial centers, and it is going to swing back, I believe, to the moderate sized industrial centers, and greatly to the advantage of the business and the individual."

"I think you are right on this," said the president, "and it is certainly complimentary to what we are doing in our own business."

XLVII.

SOME WAR METHODS APPLIED TO BUSINESS.

"Circumstances often force us to do things which we had heretofore considered impossible."

This remark by the president opened our mid-day discussion.

"Just what have you in mind?" I asked the president.

"Well, a good many things," he replied, "but more particularly just this. Twenty years ago one of the indispensable equipments of the man who had anything to sell was his ability to be a tank. That is, the man who could drink the most was the fellow who was supposed to be able to sell the most. Of course, that class of salesman is still with us, but some of the most successful salesmen that we have in the railway supply business manage to get along without this supposed help."

"We ought to make it a war measure," suggested the senior vice-president, "and do what Russia has done. If the soldiers can fight better without booze, why can't we fight the commercial battle better that way?"

"What do you think, Mr. Autocrat?" asked the president. "Here is your chance."

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To tell the truth I had never thought very much about it, and the question was a little bit new to me, that is new in exactly the way that the president had brought it up. Personally I believe that in the working of the law of the "survival of the fittest," those who are fittest to survive and perpetuate the race of the future will be the ones that let alcohol alone. I said as much as this to the president and he remarked that I was generalizing in a very broad way and would I be more specific.

"Well then," I said, "make it a concrete case. If a salesman who does drink can earn more money for this company than one who does not, that is the kind of a salesman you are going to hire and the one to whom you are going to pay a higher salary. This, of course, based on a purely business proposition."

"Would you advocate a nation-wide prohibition law?" broke in the treasurer.

"I am rather inclined to think that I would," I replied, "but not, however, until the people are ready for it. The laws are of very little value unless they are the expression of the will of the majority. When they simply stand for the wishes and opinions of the minority they are not going to be lived up to and our laws should not be put upon the statute books in anticipation of public opinion, but as a result of this same opinion. This is so big a

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subject, however, that we have got to hew pretty close to the line in our discussion if we are going to get anywhere. As to whether we should have a national prohibition law or not, and when we should have it, is a pretty big question. What we can settle, however, is what shall be the attitude of this company in regard to the question.

“Now just what is the situation? We are a corporation, manufacturing and selling equipment bought and used by the railroads, and made use of by them in a service very exacting in its demands. We cannot afford, and we do not have, men in our own shops who are at all given to the use of alcoholic stimulants, for the reason that they are not dependable, and we must make dependable appliances. So far we can safely go. Now the railroad systems to which we are selling are engaged in a somewhat hazardous occupation. Most constant care must be taken to insure protection to life and property. Just so fast as possible the railroads have been equipping their lines with safety devices of all kinds. The railroads have gone slow in this matter in order not to leap from the frying pan into the fire,—that is, they have gone slow so that they will not be buying appliances that supposedly will protect life, but actually will not do so. They appreciate very well the fact that they might buy cer-

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tain kinds of signal apparatus that would make travel more dangerous, rather than more safe.

"Now our customers, the railroads, have gone still further than this and have made some very drastic rules in regard to the use of alcohol by their employes. It has not been an ethical question with them—it has been a practical business question, a matter of dollars and cents. That is, a railroad can pay larger dividends if its employes do not drink than if they do. They have gone even beyond this question into the broader one which is so fully expressed by the Safety First movement.

"Now while I must admit that I can see where there are certain lines of business in which a salesman who will buy a drink, or many of them, will probably do better than the man who is a teetotaler, it looks to me as though the time was not far distant, if it is not in the immediate present, when the salesman for a railway supply company, as a matter of good business, will have to say 'I don't drink.' He works for a company that as a matter of good business policy refuses to hire an employee who is a user of alcohol, and he sells to the railroad corporations who have really been the leaders in a movement which eventually must lead to a nation-wide prohibition law."

"I think our autocrat has taken pretty good care of the subject," said the president.

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“You bet he has,” said the sales manager, “and for once I agree with him, and I would give a year’s salary if every saloon door in the country was bolted and barred and the whole business done away with.”

“Well, that time is coming,” said the junior vice-president, “and as our autocrat puts it, not for ethical reasons but for business reasons pure and simple.”

“It only goes to show the tremendous power of business,” said the treasurer.

XLVIII.

THE RETURN OF THE PRESIDENT.

The sales manager and the autocrat have forgotten their differences, and have come to a better appreciation and understanding of the valued friendship that exists between them.

I cannot give the talk at the lunch table, because we have been having silence. There are times when silence is much more eloquent than speech. I think our little family group has drawn closer together in these last few days than ever before.

Our president was called home by a telegram, telling of the serious illness of our shop superintendent. The illness was only a very brief one and "Bill" has joined the unseen majority. None of us ever knew our president as we have known him in the last week. I think it must be more than thirty years ago that our president established this business, and our shop superintendent was the first employee, and through all these years, a faithful and a loyal one. The business has grown from those days when the president and the shop superintendent both worked in their overalls up to the present time when our plants cover many acres of ground.

I know many people think business is business,

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and I suppose it is, but friendships are formed in business that are lasting and permanent. We have had a fight in our business,—such a fight as comes to most business men, and our shop superintendent has been a good soldier. He saw long, hard service, and the president depended upon him as the general depends upon his veterans. “Bill” had his faults the same as you and I, but he had his virtues also. His faults were few, and they are now forgotten, and his days and months and years of loyal service are remembered. Of course, someone will take his place in the shop. We have a good man trained and ready to step into his position. He will take his place so far as cold business is concerned, but the new shop superintendent is never going to take the place of the old one in the affection and esteem of the head of our organization. In the nature of things, it cannot be.

As well as I knew our president, I know him better now. I have heard him criticized,—but by our competitors generally, or the friends of our competitors. He is known as a sharp, shrewd, level-headed, energetic, far-seeing, successful business man. Probably by the outside world that knows him, he will always be known and remembered as such, but to the little group that is gathered around our luncheon table he will be known in quite a different way. It only goes to show what I have long

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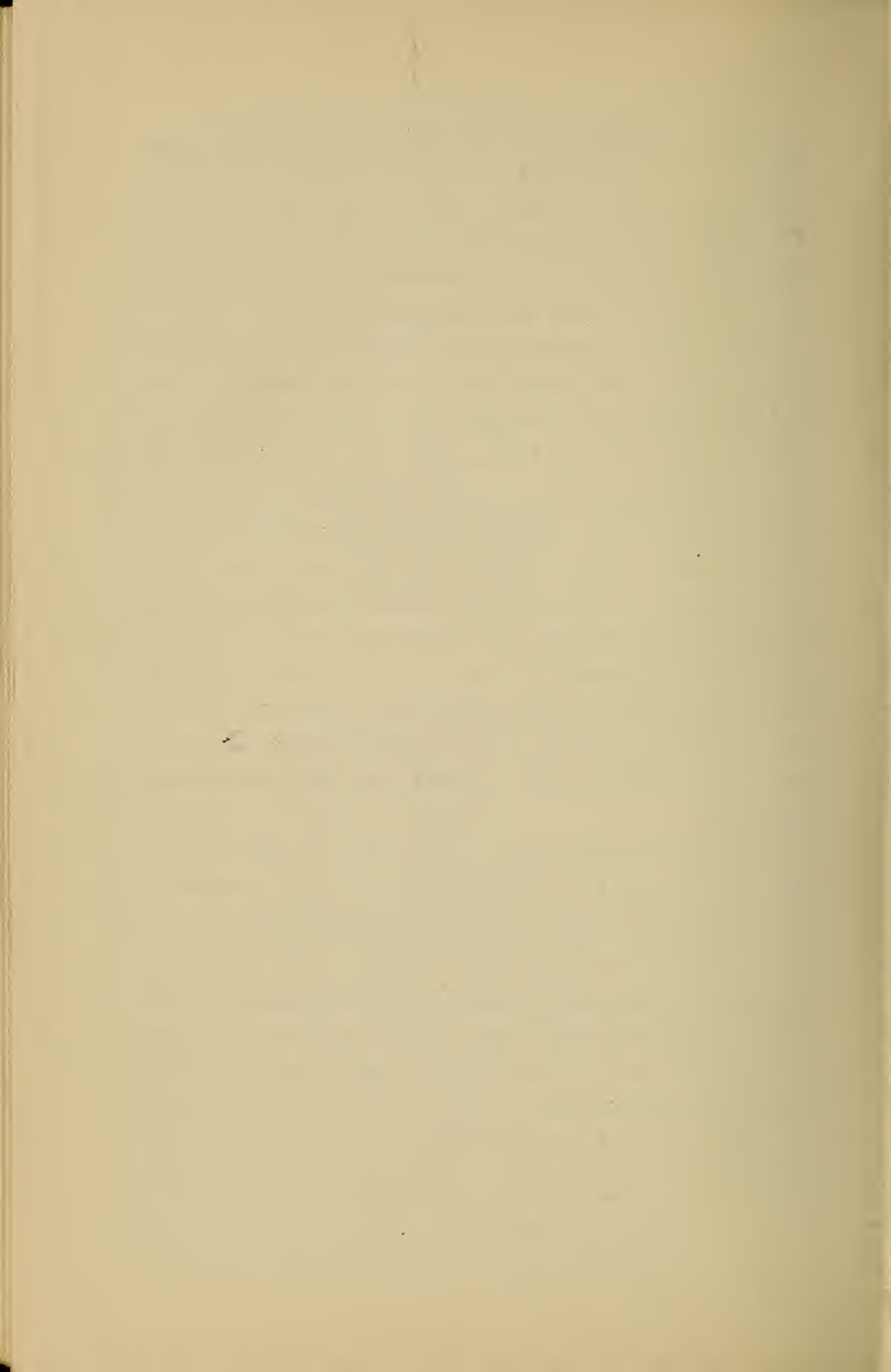
felt—that in the majority of instances, business men who make large success are men of large character. It takes something more than simply shrewdness to succeed and succeed permanently.

I think we are all going to look at our business a little more wisely now for a while at least. It is not all of life to die; neither is it all of life to give one's entire time and thought and energy to business. Business is not an end,—only a means to an end. The end is progress,—growth,—not of brick and mortar; not of machinery and inventions; not of literature and luxuries. The end of life is the development and growth of character.

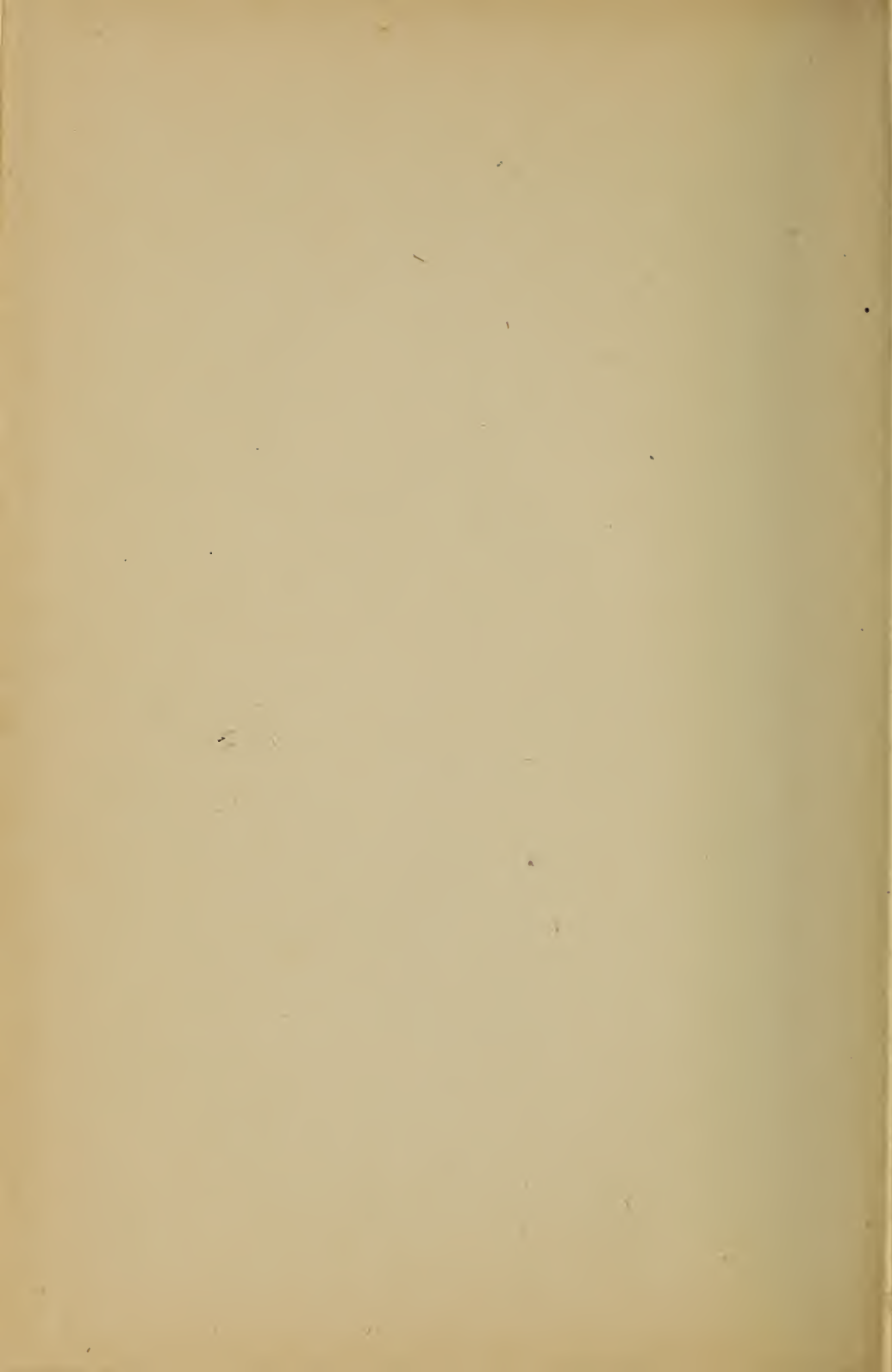
After we looked for the last time upon all that remained that is mortal of our shop superintendent, we came to a much fuller realization of the real meaning of life, and the small part played in it by business.

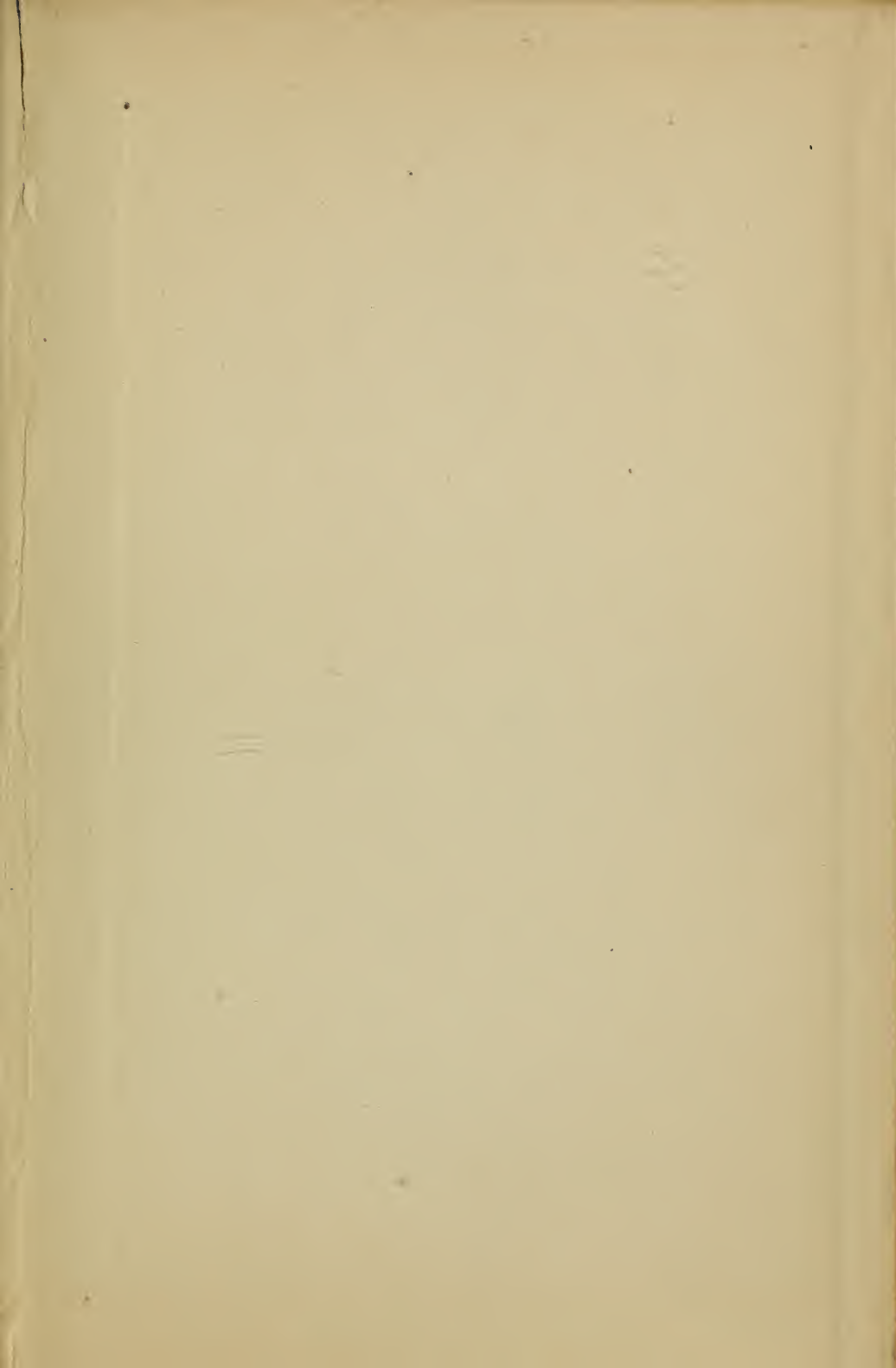
It is only because of the very close and confidential position that I maintain with our president that I know what is known by no one else, and that is that "Bill's" family are to be just as well provided for so far as money is concerned as if he had lived. The president looks upon it as simply being his duty—even more than this, his privilege. I would call it his generosity.

THE END.









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